

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 2018

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Oldham Hulme Grammar Schools

SCHOOL INFORMATION

GOVERNORS

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

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 U.K. 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

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 2018 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 School's aim is as follows:

Academic excellence is only part of our story... A Hulme education is about far more than this; we aim to ensure our children leave as confident and socially adept young people who have enjoyed a broad range of experiences.

We aim to provide a modern education with traditional values for our pupils in an environment which fosters a family atmosphere. We nurture the potential of our pupils by tailoring the education to individual needs.

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 5 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 S Richards BSc, PGCE	(Vice Chair)
#!	J D Greenwood BA MRICS MCIOB	
+	R S Illingworth BSc	
# !	R B Lobley MRICS	
# + \$	D M Meredith ACIB Dip FSL	(Treasurer)
	I R G Mills BA	(Resigned 20 July 2018)
\$	A Milnes BA, FCA	
@	K C Sanders	
# ^	V Stocker LLB	
~ ^	J M T Sutcliffe BA, MEd, PGCE	
~ %!	Z Chauhan MD, MRCP	
^	J D Williams BSc, PGCE	(appointed 28 November 2017)

#	Finance and General Purposes Committee
^	Education Committee
+	Investment Committee
\$	Audit Committee
!	Health & Safety Committee
@	Marketing 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 Infants & Nursery

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 117 children were subsidised in full, or in part, in the academic year 2017/18 through means tested bursaries and the cost of these remissions, before any donations towards them, amounted to £717,000 equivalent to 9% 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)*

Governance

John Dalziel works as a National Leader of Governance supporting various schools and academy trusts locally with governance. Currently Chair of Governors at St Michael's School and Webster Primary Academy. He is also supporting governance at our closest local primary school Werneth Primary Academy. John is also a trustee of the Rochdale Education and Learning Trust.

Rochdale Education and Learning (REAL) Trust

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

Mastering Maths

We offer a free maths club after school each Monday for gifted and talented mathematicians from local primary schools. This is run by our maths department and sixth form students and aims to help children work at greater depth and have fun solving a range of complex mathematical problems. Up to 50 Year 6 children from 10 local state primary schools attend each week for a 10 week course. All costs are covered by the school, including transport to and from school for some participants.

Stimulating Physics Network

Managed by the Institute of Physics (IOP), this community programme draws on the IOP's experience, resources and knowledge in physics education and supporting physics teachers. It includes customised programmes of professional development for teachers and is delivered by a member of our Physics team.

Teacher Training

The school works with a range of teacher training providers offering; school placements, school experience days and input into university based programmes. Each year we take approximately 15 trainees on various types of school based experience placements.

The School also makes contributions to education in a wider sense with a number of the teaching staff acting as Examiners or Moderators.

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 peer mentors 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: the Annie Kenney Fund; Macmillan Cancer Support; BBC Children in Need; Maggie's Oldham, Dr Kershaw's Hospice; 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;

Oldham Hulme Grammar Schools

GOVERNORS' REPORT *(continued)*

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

CHILD PROTECTION

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

FUNDRAISING

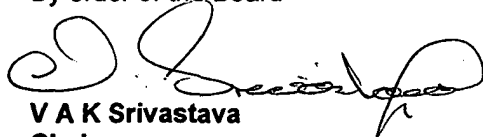
The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

AUDITORS

On 25 June 2018 Crowe Clark Whitehill LLP changed their name to Crowe U.K. LLP

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

By order of the Board



V A K Srivastava
Chairman

29/11/ 2018

Oldham Hulme Grammar Schools

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Staff Changes

The end of the year saw the retirement of Mr McRoyall who started teaching Art at Hulme in 1985 and led the Boys' School Art department for many years. His skill in the classroom, good humour and commitment to the wider life of the school will be sadly missed.

The School also said farewell to Mrs Davies who is taking a well-earned retirement after 24 years' service to the school. During her time at Hulme she successfully introduced A Level and GCSE drama as well as having played a leading role in the dramatic extra-curricular life of the school. An important member of our school show team, it was Mrs Davies who provided the "magic dust" which has turned our school shows into "youth theatre". Mr Travis also left us last year to pursue opportunities elsewhere. Mrs Wheldrick, who has taken early retirement, taught ICT successfully to pupils in the senior school at Hulme with great dedication. She was a committed form tutor and led the school's Peer Mentor programme which has been an important part of our pastoral system.

This September we were joined by some new staff: our new Heads of DT Mr Aston from Audenshaw High School and Drama Mrs Eckhardt who is a former pupil and previously Head of Performing Arts at Waterhead Academy. Miss Becci Peters has joined the Computer Science department, Mr Dainty the Geography department and Miss Webber is covering Mrs Manton-Howard's maternity leave.

Mrs Humphreys who worked in our Nursery also retired at the end of last academic year. Throughout her time with the School she has demonstrated the utmost care for the children with: energy; humour; and skill; all the time with self-effacing modesty.

Academic Success

For Hulme staff a key aim is that our pupils achieve their academic potential whatever that may be as we strive for academic excellence. Our Year 11 students certainly did that this summer and achieved a superb set of GCSE results – the best since we have been recording the boys and girls results together. The overall pass rate rose to 99%, the highest the school has ever achieved; with 97% of students achieving the national benchmark of 5 A*-C / 9-4 grades including English and Maths. Interestingly the gender gap is the smallest it has ever been in this cohort.

The % of the very top grades (A* / 9-8) rose by 12% and was also a school record at 32%. Well over half of Hulme's grades (55%) were at A*-A / 9-7 level, an increase of 6% from last year. 44% of the cohort achieved the threshold of at least 7xA / 7 grades for one of our academic scholarships to enter the sixth form, including 16 students who gained 9 or more A* - A / 9-7 grades.

Much was made nationally about the transitional nature of the new GCSEs but the School was pleased to see Hulme students continuing to fulfil their high potential.

The A Level results were also impressive. Almost a third of grades achieved (32%) were at A*/A, and in total 57% of Hulme's grades were at A*-B level. 32% of students achieved at least 2 A grades and 20% of the cohort secured at least 1 A*.

The national average pass rate at GCSE is 67% and Hulme was 99%. The 9-7% is 20% nationally compared to our 55%. Hulme's A*/A at A Level is 32% and the next best locally is 27%.

DEVELOPMENT OF THE SCHOOL'S SITES

The project to update the Estcourt building, which was mentioned in last year's report, was completed in early 2018 at a cost of £286,000. The building, which is used for teaching our Years 5 and 6 pupils, was given a major refurbishment with new heating, new toilet facilities and updated classrooms.

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.

Oldham Hulme Grammar Schools

STRATEGIC REPORT

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 main objectives that the Governors hoped to focus upon that were detailed in last year's Strategic Report were as follows:

- 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

Improvement of the School's facilities continued during the year and the refurbishment of the Estcourt building noted above was well received by parents, pupils and staff. The provision of an all-weather sports pitch is now seen as a longer term objective.

The School has been very active in seeking to establish links abroad and develop an overseas business. Discussions have been held with parties in China, Sri Lanka and the Middle East and we continue to pursue a number of opportunities.

The Governors and Senior Management Team have continued to review the operation of all sections of the School. The Junior section was moved onto a coeducational basis from September 2017 and this has proved to be very successful.

Academically the School had another excellent year and pupils' achievements in the 2018 public examinations reached a high standard especially at GCSE level. 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 School's significant involvement with e-learning and the development of its Google Education platform continued.

The Governors believe that the most important Key Performance Indicator for the strategic management of the School is pupil numbers. A number of changes to assist pupil recruitment and retention were introduced in the recent past and it is pleasing to report that the pupil roll has increased over the last two years. This is discussed further in the Risk Management section

In overall terms the School's operational performance exceeded the financial forecast for the year for the principal reason that the pupil roll in September 2017 was better than the estimate used in the budget. Fee Income was therefore better than the budget but the impact of this was ameliorated to a degree by some cost overspends.

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 4.8% was achieved in the year.

FINANCIAL PERFORMANCE TRENDS AND RESERVES

The School had a deficit of £662,769 (2017 deficit of £357,975). The net income from tuition fees amounted to £7,528,137 which was £578,713 up on the previous year due to an increase in the pupil roll and a fee increase. Income from Donations was £126,190 which was a significant increase on the previous year because the final donation from the Stoller Trust of £100,000 was received in the current

Oldham Hulme Grammar Schools

STRATEGIC REPORT

year. Total resources expended amounted to £9,012,733 compared to £8,426,413 in 2017. The main reason for the increase was the need to increase the provision for future pension deficit levy payments by £258,000. This was the result of a revaluation in September 2016 of a support staff defined benefit scheme which is now closed to future accruals. The higher costs in the year impacted on the increased revenue to produce an operating deficit of £675,659 compared to £755,725 last year. The value of the School's investment portfolio, which rose by £397,750 last year, only increased by £12,890 this year.

On the Balance Sheet the additions to Fixed Assets amounted to £361,078, most of which was costs related to the refurbishment of Estcourt. The Debtors balance rose slightly by £6,698 and Creditors decreased by £185,774 principally because the previous year's balance included a significant amount of fees for the following 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 increased to £677,000 as a result of increased pensions deficit payments following a revaluation in September 2016. This is detailed further in Note 19. The School had a net cash outflow from operating activities of £734,374 but there was an inflow from investing activities of £499,338 as the School used its deposits to fund the operating outflow and capital expenditure. The total net outflow of £235,036 was offset by Donations of £126,190 to produce a £108,846 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 managed 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 week's expenditure, approximately £1.6 million, available to cover the worst case scenario. At the Balance Sheet date free reserves amounted to £(1,224,573). 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 and pension 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

These changes to pupil recruitment have had an impact and for the second year running the School started the new year in September 2018 with more pupils than the previous year.

Political change

The School continues to develop links with local and national agencies.

Regulatory compliance

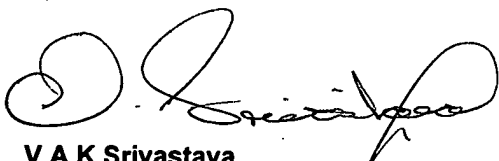
The School has instituted a procedure for the Senior Management Team and the Board to monitor and approve regulatory requirements.

PLANS FOR FUTURE PERIODS

The Governors have identified three key elements within the School's strategic plan to develop the School in the future. These are: the continued development of the School and raising of pupil numbers; the development of an international business; and better fundraising.

- Investment in the improvement of the facilities
- Links with other parts of the world and development of an overseas business
- The best structures for the delivery of education at all levels in the School
- Further development of e-learning with the Google teaching and learning platform
- Development of fundraising
- Enhance the School's added value

By order of the Board



V A K Srivastava
Chairman

29/11/2018

Oldham Hulme Grammar Schools

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Oldham Hulme Grammar Schools for the year ended 31 August 2018 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 2018 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.

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 2018

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 2018

Auditor's responsibilities for the audit of the financial statements

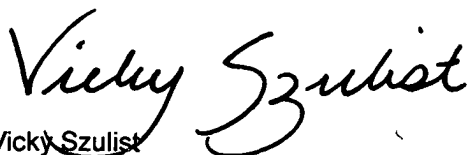
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Use of our report

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.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

7th January 2019

Oldham Hulme Grammar Schools
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)
for the year ended 31 August 2018

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2018	Total 2017
		£	£	£	£	£
INCOME AND ENDOWMENTS						
FROM:						
Charitable Activities						
School Fees	2	7,528,137	-	-	7,528,137	6,949,424
Ancillary trading	3	382,072	-	-	382,072	387,390
Investment income	6	347	286,582	-	286,929	294,360
Grants and donations	4	21,250	104,940	-	126,190	21,687
Other activities	5	13,746	-	-	13,746	17,827
TOTAL INCOMING RESOURCES		7,945,552	391,522	-	8,337,074	7,670,688
RESOURCES EXPENDED						
Charitable activities						
Education and grant making		7,975,232	716,897	62,616	8,754,745	8,426,413
Increase in provision for pension deficit		257,988	-	-	257,988	-
TOTAL EXPENDITURE	8	8,233,220	716,897	62,616	9,012,733	8,426,413
NET OUTGOING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		(287,668)	(325,375)	(62,616)	(675,659)	(755,725)
Gains on investments		-	12,890	-	12,890	397,750
MOVEMENT IN FUNDS		(287,668)	(312,485)	(62,616)	(662,769)	(357,975)
Fund balances brought forward at 1 September 2017		3,182,691	6,065,260	2,576,258	11,824,209	12,182,184
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2018	16	2,895,023	5,752,775	2,513,642	11,161,440	11,824,209

The notes on pages 20 to 36 form part of these accounts.

Oldham Hulme Grammar Schools

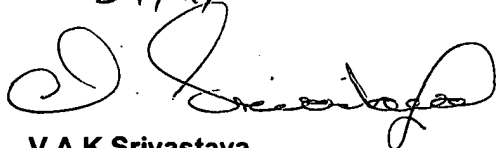
BALANCE SHEET

31 August 2018

Company Registration No: 06125927

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible fixed assets	9	6,438,676	6,434,950
Investments	10	5,953,893	6,514,490
		<u>12,392,569</u>	<u>12,949,440</u>
CURRENT ASSETS			
Debtors	11	530,728	524,030
Cash at bank and in hand		140,294	249,140
		<u>671,022</u>	<u>773,170</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,283,309)</u>	<u>(1,469,083)</u>
NET CURRENT LIABILITIES		<u>(612,287)</u>	<u>(695,913)</u>
LONG TERM LIABILITY			
Provision for pension deficit levy	14	(618,842)	(429,318)
TOTAL NET ASSETS		<u>11,161,440</u>	<u>11,824,209</u>
FUNDS			
Endowed Funds	15	2,513,642	2,576,258
Restricted Funds	15	5,752,775	6,065,260
Unrestricted Funds	15	2,895,023	3,182,691
		<u>11,161,440</u>	<u>11,824,209</u>

The financial statements were approved and authorised for issue by the Board of Governors
on 29/11/2018



V A K Srivastava
Chairman of Governors



D M Meredith
Treasurer

The notes on pages 20 to 36 form part of these accounts.

Oldham Hulme Grammar Schools
CASH FLOW STATEMENT
for the year ended 31 August 2018

	Note	2018	2017
		£	£
NET CASH OUTFLOW FROM OPERATIONS	I	(734,374)	(669,851)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income receipts		286,929	294,360
Payable for tangible fixed assets		(361,078)	(371,296)
Investment in shares and long term deposits		(57,434)	(141,684)
Proceeds from sale of investments		630,921	818,510
NET CASH PROVIDED BY INVESTING ACTIVITIES		499,338	599,890
		(235,036)	(69,961)
FINANCING			
Donations		126,190	21,687
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(108,846)	(48,274)
Cash and cash equivalents at the beginning of the year		249,140	297,414
Cash and cash equivalents at the end of the year	II	140,294	249,140

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

	2018	2017
	£	£
Net outgoing resources	(675,659)	(755,725)
Non-operating cashflows eliminated:		
Investment income	(286,929)	(294,360)
Donations	(126,190)	(21,687)
Depreciation	357,352	345,726
Increase in debtors	(6,698)	(19,794)
(Decrease)/Increase in creditors	(185,774)	114,671
Increase/(Decrease) in long term liability	189,524	(38,682)
NET CASH OUTFLOW FROM OPERATIONS	(734,374)	(669,851)

Oldham Hulme Grammar Schools
CASH FLOW STATEMENT
for the year ended 31 August 2018

II. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	126,234	236,479
Deposits	14,060	12,661
	<u>140,294</u>	<u>249,140</u>

The notes on pages 20 to 36 form part of these accounts.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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

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 2018

2. School Fees

	2018 £	2017 £
The School's fee income comprised:		
Gross tuition fees	7,960,684	7,384,114
Less: Fee discounts	(186,143)	(160,809)
	<hr/>	<hr/>
Tuition fees after discounts	7,774,541	7,223,305
Less: Total bursaries, scholarships and allowances	(963,301)	(924,643)
	<hr/>	<hr/>
	6,811,240	6,298,662
Add back: Bursaries paid by restricted funds	716,897	650,762
	<hr/>	<hr/>
	7,528,137	6,949,424
	<hr/>	<hr/>
	 2018 £	 2017 £
Grants, awards and prizes paid for by Restricted Funds Comprised:		
Bursaries funded by investment income	286,582	294,193
Bursaries funded by investment gains	430,315	356,569
	<hr/>	<hr/>
	716,897	650,762
	<hr/>	<hr/>

The above bursaries and scholarships were made to 188 (2017 – 181) individuals. Of these awards 117 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 2018

3 Ancilliary trading

	2018 £	2017 £
After school care and other	54,749	54,105
School meals	173,090	151,895
Bus fares	72,307	76,621
Entrance and registration fees	8,950	11,170
Courses, examination fees and sub letting	72,976	93,599
	<u>382,072</u>	<u>387,390</u>

4 Grant and donations

	2018 £	2017 £
Unrestricted		
Foundation Account	16,095	6,105
Donations	5,155	5,355
Legacy	-	5,027
	<u>21,250</u>	<u>16,487</u>
Restricted		
Donations	104,940	5,200
	<u>126,190</u>	<u>21,687</u>

5 Other activities

	2018 £	2017 £
Miscellaneous income	806	4,903
Interest and account charges	12,940	12,924
	<u>13,746</u>	<u>17,827</u>

6 Investment income

	2018 £	2017 £
Income from quoted investments	283,775	289,890
Interest from cash deposits	3,154	4,470
	<u>286,929</u>	<u>294,360</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

7 Staff costs and related party transactions

	2018 £	2017 £
Total staff costs comprised:		
Wages and salaries	4,801,548	4,611,347
Social security costs	449,837	426,839
Pension contributions	626,095	605,601
	<u>5,877,480</u>	<u>5,643,787</u>
 Aggregate employee benefits of key management personnel	 <u>551,524</u>	 <u>529,029</u>

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

The average number of employees in the year was 191 (2017 – 184) of which 86 (2017 – 84) were teaching staff. Neither the governors nor persons connected with them received any remuneration. Travel expenses reimbursed to two governors during the year totalled £1,695 (2017 – 1 governor £157).

Included within the Wages and salaries cost is £30,500 relating to termination payments to 2 employees. There were no amounts related to termination payments outstanding at 31 August 2018.

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

	2018 No	2017 No
More than £90,000 but less than £100,000	1	-
More than £80,000 but less than £90,000	-	1
More than £60,000 but less than £70,000	1	1
	<u>2</u>	<u>2</u>

The number of higher paid employees for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2017 – 1). Employer contributions for the year amounted to £15,326 (2017 - £13,777). The amount paid to defined contribution schemes on behalf of the above higher paid employees was £6,491 (2017: £6,427).

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

8 Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreciation £	Total 2018 £	Total 2017 £
Charitable activities:					
Teaching	4,871,669	930,624	-	5,802,293	5,425,838
Welfare	140,296	199,886	-	340,182	314,950
Premises	406,110	508,949	286,896	1,201,955	1,169,845
Support costs and governance	459,405	421,545	70,456	951,406	865,018
School operating costs	<u>5,877,480</u>	<u>2,061,004</u>	<u>357,352</u>	<u>8,295,836</u>	<u>7,775,651</u>
Grants, awards and prizes	<u>-</u>	<u>716,897</u>	<u>-</u>	<u>716,897</u>	<u>650,762</u>
	<u>5,877,480</u>	<u>2,777,901</u>	<u>357,352</u>	<u>9,012,733</u>	<u>8,426,413</u>
				2018 £	2017 £
Governance costs included in support costs					
Expenses and other costs				3,132	157
Auditors' remuneration				15,995	14,840
				<u>19,127</u>	<u>14,997</u>

9 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and vehicles £	Total £
Cost			
As at 1 September 2017	7,736,353	1,724,441	9,460,794
Additions	192,163	168,915	361,078
Transfer	<u>29,099</u>	<u>(29,099)</u>	<u>-</u>
As at 31 August 2018	<u>7,957,615</u>	<u>1,864,257</u>	<u>9,821,872</u>
Depreciation			
As at 1 September 2017	2,117,887	907,957	3,025,844
Charge for the year	<u>157,185</u>	<u>200,167</u>	<u>357,352</u>
As at 31 August 2018	<u>2,275,072</u>	<u>1,108,124</u>	<u>3,383,196</u>
Net Book Value			
As at 31 August 2018	<u>5,682,543</u>	<u>756,133</u>	<u>6,438,676</u>
As at 31 August 2017	<u>5,618,466</u>	<u>816,484</u>	<u>6,434,950</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

10. Investments

	Listed Investments £	National Savings £	Cash Deposits £	Total £
Market value at 1 September 2017	5,945,342	65,536	503,612	6,514,490
Additions	57,434	-	-	57,434
Disposals	(214,531)	(55,536)	(348,649)	(618,716)
Net investment gain	<u>685</u>	<u>-</u>	<u>-</u>	<u>685</u>
Market value at 31 August 2018	<u>5,788,930</u>	<u>10,000</u>	<u>154,963</u>	<u>5,953,893</u>
At 31 August 2018				
Endowed	194,590	-	-	194,590
Restricted	4,956,004	10,000	150,174	5,116,178
Unrestricted	<u>638,336</u>	<u>-</u>	<u>4,789</u>	<u>643,125</u>
	<u>5,788,930</u>	<u>10,000</u>	<u>154,963</u>	<u>5,953,893</u>
At 31 August 2017				
Endowed	194,590	-	-	194,590
Restricted	5,069,821	10,000	489,738	5,569,559
Unrestricted	<u>680,931</u>	<u>55,536</u>	<u>13,874</u>	<u>750,341</u>
	<u>5,945,342</u>	<u>65,536</u>	<u>503,612</u>	<u>6,514,490</u>

The following holding constitutes more than 5% of the School's holdings

	Market Value	
	2018 £	2017 £
CQS New City High Yield Fund Ltd Ord NPV	<u>295,960</u>	<u>305,025</u>

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

11. Debtors

	2018 £	2017 £
Tuition fees – Parents	275,857	298,189
Other debtors	<u>254,871</u>	<u>225,841</u>
	<u>530,728</u>	<u>524,030</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

12. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	409,292	252,776
Taxation and social security	165,556	180,913
Deposits	226,107	220,809
Other creditors	385,089	688,175
Accruals	<u>97,265</u>	<u>126,410</u>
	<u><u>1,283,309</u></u>	<u><u>1,469,083</u></u>

The amount shown under Other Creditors includes deferred income amounting to £219,180 (2017 – £493,346).

13. Financial instruments

	2018	2017
	£	£
Financial assets measured at amortised cost (a)	619,767	1,137,565
Financial assets measured at fair value (b)	5,788,907	5,945,343
Financial liabilities measured at amortised cost (c)	(908,705)	(803,327)
Financial liability related to defined benefit pension scheme at fair value	(677,000)	(475,318)
	<u><u>(288,938)</u></u>	<u><u>334,238</u></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 2018

14. Long Term Liability

	2018 £	2017 £
Provision for pension deficit levy payments (See Note 19)	<u>677,000</u>	<u>475,318</u>
Included in Creditors: payable within 1 year	58,158	46,000
Long term liability: payable after 1 year	<u>618,842</u>	<u>429,318</u>
	<u><u>677,000</u></u>	<u><u>475,318</u></u>

15. Analysis of Funds

	Balance as at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Investment gain £	Balance as at 31 August 2018 £
Unrestricted Funds	3,182,691	7,945,552	(8,233,220)	-	-	2,895,023
Restricted Funds	6,065,260	391,522	(716,897)	-	12,890	5,752,775
Endowed Funds	2,576,258	-	(62,616)	-	-	2,513,642
	<u>11,824,209</u>	<u>8,337,074</u>	<u>(9,012,733)</u>	<u>-</u>	<u>12,890</u>	<u>11,161,440</u>

	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>12,182,184</u>	<u>7,670,688</u>	<u>(8,426,413)</u>	<u>-</u>	<u>397,750</u>	<u>11,824,209</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

15. Analysis of Funds (continued)

Restricted Funds	Balance as at 1 September 2017	Incoming resources	Resources expended	Investment gains	Balance as at 31 August 2018
	£	£	£	£	£
Bursaries & Prizes Fund	5,753,925	391,522	(716,897)	12,890	5,441,440
Bursary Appeal Fund	18,741	-	-	-	18,741
Bursary Fund	153,280	-	-	-	153,280
Capital Project Fund	139,314	-	-	-	139,314
	<u>6,065,260</u>	<u>391,522</u>	<u>(716,897)</u>	<u>12,890</u>	<u>5,752,775</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.

16. Analysis of Net Assets Between Funds

	Fixed Assets	Investments	Net Current Liabilities	Long Term Liability	Funds Carried forward 2018
	£	£	£		£
Unrestricted	4,119,624	643,125	(1,248,884)	(618,842)	2,895,023
Restricted	-	5,116,178	636,597	-	5,752,775
Endowed	2,319,052	194,590	-	-	2,513,642
	<u>6,438,676</u>	<u>5,953,893</u>	<u>(612,287)</u>	<u>(618,842)</u>	<u>11,161,440</u>

	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>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

17. Operating Lease Commitments

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

	2018	2017
	£	£
Plant & Equipment		
Less than 1 year	38,131	36,011
Between 2 and 5 years	<u>79,077</u>	<u>91,849</u>
	<u>117,208</u>	<u>127,860</u>

The total operating costs for the year were £40,739 (2017 – £33,868).

18. Capital Commitments

At the Balance Sheet date the School had capital commitments which were authorised but not accrued of £6,431 (2017: £246,000).

19. Pension Schemes

Teacher's Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £536,982 (2017: £524,373) and at the year-end £69,535 (2017 - £69,437) 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 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as 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 currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

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.

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for the year ended 31 August 2018

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 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 valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This valuation showed assets of £60.45m, liabilities of £85.30m and a deficit of £24.86m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2018 to 30 November 2028:	£1,400,000 per annum (payable monthly and increasing by 3.0% each year on 1st April)
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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.

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PRESENT VALUES OF PROVISION

	31 August 2018 (£000s)	31 August 2017 (£000s)	31 August 2016 (£000s)
Present value of provision	677	470	512

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 August 2018 (£000s)	Period Ending 31 August 2017 (£000s)
Provision at start of period	470	512
Unwinding of the discount factor (interest expense)	6	5
Deficit contribution paid	(53)	(44)
Remeasurements - impact of any change in assumptions	(20)	(3)
Remeasurements - amendments to the contribution schedule	274	-
Provision at end of period	677	470

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 August 2018 (£000s)	Period Ending 31 August 2017 (£000s)
Interest expense	6	5
Remeasurements – impact of any change in assumptions	(20)	(3)
Remeasurements – amendments to the contribution schedule	274	-
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.

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ASSUMPTIONS

	31 August 2018 % per annum	31 August 2017 % per annum	31 August 2016 % per annum
Rate of discount	1.90	1.34	1.19

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

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

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 August 2018 (£000s)	31 August 2017 (£000s)	31 August 2016 (£000s)
Year 1	63	46	44
Year 2	65	47	46
Year 3	67	48	47
Year 4	69	50	48
Year 5	71	51	50
Year 6	73	53	51
Year 7	76	54	53
Year 8	78	56	54
Year 9	80	58	56
Year 10	83	39	58
Year 11	21	-	39
Year 12	-	-	-
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.

Oldham Hulme Grammar Schools

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for the year ended 31 August 2018

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

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 a payment of £3,000 was made to the Annie Kenney Fund, of which J M T Sutcliffe is a trustee.

During the year Dr 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 2018 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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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

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

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