

**CHARITY NUMBER: 1131425**  
**COMPANY NUMBER: 06924216**

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT**  
**AND**  
**FINANCIAL**  
**STATEMENTS**  
**YEAR ENDED 31 AUGUST 2019**

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2019**

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# OAKHAM SCHOOL

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2019

#### REGISTERED ADDRESS

Chapel Close  
Market Place  
Oakham, Rutland LE15 6DT

#### WEBSITE

www.oakham.rutland.sch.uk

#### TRUSTEES AND APPOINTMENT OF TRUSTEES

The Trustees of the School, who are also the Directors of the charitable Company, form its governing body and those Trustees who served during the year were:

COMMITTEE MEMBERSHIP							
Trustees	Appointed / Re-appointed	Finance	Education	Policy & Compliance	Nominations	Buildings & Estates Sub-Committee	Awards Sub-Committee
1. The Rt Revd. The Lord Bishop of Peterborough	2010						
2. Dean of Peterborough	Jun 18						
3. HM Lord Lieutenant of the County of Rutland	Mar 18		✓				
4. Mr D Allsop <sup>1</sup>	Jun 19	✓				CHAIR	
5. Prof P Baker	Jun 18						
6. Mr M Dorsett	Nov 17						
7. Mr P S Dooty	Jun 18		✓				
8. Mr R R Foulkes	Jun 18	✓					
9. Mrs J H Gibson	Jun 19		✓	✓			
10. Prof N T Gorman	Jun 17	✓	CHAIR	✓	CHAIR	✓	CHAIR
11. Mrs J H Grundy	Jun 17				✓	✓	✓
12. Mr H Haefell	Oct 15	CHAIR			✓	✓	
13. Mr N D G Jones	Jun 16						
14. Mr A R M Little	Jun 17		✓		✓		
15. Mrs J P Lucas	Jun 18	✓		✓	✓		✓
16. Mrs J M Osborne	Mar 18			✓	✓	✓	
17. Mr S H Woolfe	Jun 18			CHAIR			
18. Mrs R Patel	Nov 17						
19. Prof S Petersen <sup>2</sup>	Mar 18		✓				
20. Mr J E Czarnota <sup>3</sup>							
21. Mr M G Wilson <sup>3</sup>		✓				CHAIR	

Under the School's constitution the number of Trustees should not be less than twelve or more than twenty-one. This number will include three ex-officio Trustees being The Lord Bishop of Peterborough, The Lord Lieutenant of the County of Rutland, and The Dean of Peterborough.

Not fewer than nine or more than eighteen co-optative Trustees to be appointed by resolution of the Trustees for the time being in office. Up to two persons nominated by the Trustees of Archdeacon Johnson's Almshouse Charity (Charity Number 214162) or any successor Charity may be appointed by resolution of the Trustees as co-optative Trustees.

#### Notes:

1. Appointed AGM June 2019 and BeCom Chair (Allsop)
2. Medical Leave from November 2018 to Oct 2019 (Petersen)
3. Retired AGM June 2019 (Czarnota and Wilson)

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**OFFICERS**

Headmaster	Mr N M Lashbrook BA (Oxon) to 16 August 2019 Mr H W F Price MA (Oxon) from 17 August 2019
Director of Operations & Strategic Planning and Clerk to the Trustees	Mr S C Piggott MA (Cantab), MBA
Senior Deputy Head	Mrs J L M North BA to 16 August 2019 Mr A Mayhew MSc from 17 August 2019
Deputy Head (Pastoral & Co-Curricular)	Mrs S J Gomm BSc
Deputy Head (Academic)	Mr D A Harrow MA (Cantab) to 16 August 2019

**AUDITORS**

Haysmacintyre LLP  
10 Queen Street Place  
London, EC4R 1AG

**BANKERS**

Barclays Bank PLC  
10 High Street  
Oakham  
Rutland  
LE15 6AN

**SOLICITORS**

Greenwoods Solicitors LLP  
Monkstone House  
City Road  
Peterborough PE1 1JE

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QAA

Able Brown HR Ltd  
Seaton Grange Offices  
Garage Lane  
Seaton, Rutland LE15 9HT

**INSURANCE BROKERS**

AON Limited  
Mercury Place  
11 St George's Street  
Leicester LE1 1DR

**PENSIONS ADVISERS**

Mitchell Consulting Actuaries Ltd  
Albion Wharf  
Albion Street  
Manchester M1 5LN

**HEATH & SAFETY ADVISERS**

Owen David Risk Management Ltd  
Wollerton Old Hall  
Wollerton, Market Drayton TF9 3N

**OAKHAM SCHOOL**  
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The Trustees (who are also the Directors of the Charity for the purposes of the Companies Act) present their annual report and the audited financial statements of Oakham School for the year ended 31 August 2019. The Trustees confirm that the annual report and financial statements of the School comply with current statutory requirements, the requirements of the School's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (SORP (FRS 102)).

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Oakham School is a registered Charity, number 1131425 and a Company Limited by Guarantee Registered in England and Wales, number 06924216. The registered name of the Charity and the Company is Oakham School. The School was founded by Robert Johnson Archdeacon of Leicester in 1584.

The principal address of the Charity and the registered office of the Company, as well as the School Trustees are as listed on page 1. The executive officers and particulars of the Charity's professional advisers are given on page 2.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Under the Charity Commission Scheme of 1 September 2009, the running of the School, together with all the unincorporated entity's unendowed assets and all its liabilities, were transferred to a new charitable Company, Oakham School (charity number: 1131425), as were its corporate and trust funds. The permanently endowed school premises and other school land remained with the unincorporated charity known as Trustees of Oakham School (original charity number: 527825, new charity number: 1131425/1) which operates as a subsidiary of the main charity.

##### **Governing Document**

The School is governed by its Memorandum of Association and Articles of Association as agreed on 29 May 2009.

##### **Governing Body**

As at 31 August 2019, the structure of the Charity consists of a governing body of School Trustees, the details of which are explained on page 1, together with information on how the members of the governing body are appointed to office. A thorough review of Governance was carried out in January 2018 by representatives of the Association of Governing Bodies of Independent Schools (AGBIS). The Board of Trustees have reviewed these recommendations and implementation started following the appointment of Professor Neil Gorman as Chair of Trustees in July 2018.

##### **Recruitment and Training**

New co-optative School Trustees are proposed by the Nominations Committee, and are then considered and appointed at full General Meetings of Trustees, following interviews, and supported by recommendations and personal references. Appointments are designed to ensure the Trustee Body contains a breadth of specialist skills to support the full range of Trustee duties and responsibilities. New Trustees are inducted into the workings of the Charity, including Board Policy and Procedures, by means of a comprehensive induction pack and introductory meetings with the Headmaster and Director of Operations. Trustees are offered update training courses and topical seminars run by AGBIS and professional advisers to the independent school sector from time to time as required and training records are maintained. The process for both induction and on-going training is under constant review to ensure that Trustees continue to be fully supported in discharging their corporate governance responsibilities.

# OAKHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### YEAR ENDED 31 AUGUST 2019

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#### Organisational Management

The Charity Trustees and Directors of the Company, who are responsible for the overall management and control of the School, meet four times a year, with two meetings in the Winter term. The work of implementing most of their policies is carried out by the members of the Policy & Compliance Committee, which meets twice per year, and the Finance Committee (FinCom) which meets three times per year.

The other principal committees are the Education Committee and the Nominations Committee. The Awards Sub-Committee and the Buildings Sub-Committee are both sub-committees of FinCom. With the exception of the Nominations Committee, which meets as and when required, and the Awards Sub-Committee which meets once per year, each of these committees and sub-committees meets at least once per term. The day to day running of the school is delegated to the Headmaster, the Director of Operations & Strategic Planning and the Senior Leadership Team. The Headmaster and Director of Operations attend the meetings of the above committees, and other members of the Senior Leadership Team, notably the Senior Deputy Head and the two other Deputy Heads, may also attend meetings if appropriate. The salaries of the Head and Director of Operations & Strategic Planning are benchmarked against the annual AGBIS salary survey. The Baines Cutler Solutions (BCS) Teacher and Senior Staff Salary and Benefits Survey April 2014 and BCS Teacher Salary, Benefits and Workload April 2018 have been used to benchmark the salaries of other members of the Senior Leadership Team.

#### Group Structure and Relationships

There are two unincorporated charities which operate as subsidiaries of the main charity and as such are not required to publish separate independent accounts. The first is The Trustees of Oakham School which, as previously set out, holds the permanently endowed school premises and other land. The second is the Oakham School Foundation.

The Oakham School Foundation was formed at a meeting of the founding Trustees on 30 August 2000 and was registered with the Charity Commission on 17 July 2002, registered number 527825/15. The Foundation's objects are to advance or assist in the advancement of the charitable aims and objectives of Oakham School. The principal aim of the Foundation is to raise funds to support the on-going development of the School, and the objects of the Foundation Trustees are limited to achieving these aims.

As required by the Trust Deed, all Foundation Trustees are appointed by the Trustees of Oakham School. At least three of those Foundation Trustees should also be themselves Trustees of Oakham School ("representative Trustees"). The Foundation Trustees who served during the year were:

<b>Representative Trustees:</b>	<b>Foundation Trustee:</b>
Prof P Baker	Mr P O Lawson
Prof N Gorman	Mr S K Mehra
Mrs J Osborne	Mr R Barnes *
Mr S Woolfe	

\*Resigned 20 Feb 2019

Following the Incorporation of the parent charity on 1 September 2009, the Foundation's charity number changed to 1131425/2. The School has a wholly owned non-charitable subsidiary company, Oakham School Enterprises Limited (OSEL) which actively traded throughout the year. The Elizabethan Trust is a separate charitable entity which exists to support the aims of Oakham School. With one exception, a former Trustee of the School who resigned from The Elizabethan Trust in May 2019, The Elizabethan Trust has common trustees with those of the School. The Trustees of Oakham School reviewed the relationship with the Elizabethan Trust in 2018 and consider that effectively the School has control over the activities of the Trust. On this basis, the activities of the Trust have been consolidated into the financial statements of the School, as they were last year.

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**TRUSTEES' REPORT (CONTINUED)**  
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### **Employment Policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled person and due consideration is given to all employees training and employment needs. A number of reasonable adjustments are made for employees with health or disability issues.

### **Communications with Employees**

Consultation with employees or their representatives has continued as all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Communication with employees continues through normal management channels in a variety of forms, notably through a Salary Committee for Teaching Staff and a newly formed Support Staff Consultative Committee, and also through exceptional channels to apprise staff of current issues. In the past few years, examples where formal consultation was required have included removal of private medical insurance, changes to the support staff pension scheme and restructuring of cleaning contracts. Employees are made aware of the educational, co-curricular and financial performance of the School as well as future plans and strategies in briefings at the start of each term by the Headmaster and the Director of Operations & Strategic Planning. Finally staff are able to book confidential appointments with the Trustee responsible for staff liaison for any issues they may wish to discuss.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

### **Charitable Objects**

The Objects of the Charity are for the advancement of education for the public benefit of boys and girls and in particular (but not limited to):

1. The operation of Oakham School as a Boarding and Day School to be conducted in accordance with the principles and practices of the Church of England;
2. The establishment and operation of any other Boarding and/or Day Schools associated with Oakham School;
3. Ancillary or incidental educational activities; and
4. Other associated activities for the benefit of the community.

### **Educational Aims**

1. The School aims to provide the highest standards of teaching and learning, so that all pupils can fulfil their academic potential. In providing a broad and engaging academic curriculum there is an abiding aim for academic excellence and intellectual curiosity which will cultivate a lifelong love of learning.
2. The School aims to give all Oakhamians the values and life skills to be prepared for the many challenges of life after school.
3. The School aims to provide pupils with a range of opportunities to develop and pursue interests of a physical, cultural or creative nature within the scope of the Total Curriculum. Particular attention is paid to creating opportunities for pupils to exercise innovation, teamwork and leadership. The School offers an environment where each pupil can build self-confidence and aims to inculcate a lifelong desire to contribute to the wider community.
4. The School aims to offer all pupils compassionate and consistent pastoral support through Houses and Tutor groups. Each boy and girl is valued and respected for their individuality within a very supportive community, based on an ethos in which mutual respect takes the highest priority.
5. The School is a Christian foundation which aims to encourage pupils to investigate and experience Christian faith and worship, while providing opportunities for children of diverse religious backgrounds to explore moral questions and the spiritual dimension of their lives.

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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**Operational Aims**

1. The School aims to provide and maintain high standards of governance and management among Trustees, Senior Leadership Team and among the other senior members of the Teaching and Support Staff. The School aims to manage its financial resources and facilities effectively, in order to maintain and improve the educational provision available to its pupils.
2. The School aims to fulfil its charitable purpose through participation in mutually beneficial partnerships (both formal and informal) with other organisations, e.g. maintained schools, and through bursarial funding to widen access. The School aims to ensure its social responsibility through contributions to the local community and greater environmental sustainability.
3. The School aims to be a good employer, providing conditions of employment and environment that supports its employees in the fulfilment of their responsibilities and professional development.
4. The School aims to safeguard the health and safety of all who live and work within it, and to promote the well-being of its pupils.
5. The School aims to maintain the loyalty and support of its pupils, parents and alumni through good communication, and to secure the recruitment of suitable pupils through the effective work of the Admissions and Marketing departments.
6. The School aims to maintain and develop its facilities.

**Public Benefit Aims and Intended Impact**

The Trustees have given due consideration to the Charity Commission's guidance on public benefit.

The School cooperates with local schools and other organisations in its on-going endeavours to widen public access to the schooling available, to optimise the use of its cultural, sporting and other physical facilities for local public benefit, and to awaken in pupils an awareness of the social context of the all-round education they receive at the School.

The Senior Deputy Head has overall responsibility for the development and coordination of community links, thus ensuring leadership in this area at Senior Leadership Team level. Community initiatives focus on three areas: community service by both pupils and staff, both locally and further afield; provision of facilities on a charitable basis for community use; and provision of staff expertise to other educational establishments. The key elements of Oakham School's activities which demonstrate its firm commitment to public benefit comprise:

**1. Support of Harlington School**

Harlington School is a 6<sup>th</sup> Form Academy in the town of Oakham set up in September 2015. Oakham School was instrumental in helping set up the school and Oakham's Headmaster and the Chair of Trustees are both governors of the school. Oakham has:

- a. provided its first Head
- b. assisted with drafting policies regarding admissions, human resources, curriculum, students, teaching, ethos and standards
- c. assisted with the recruitment and selection of staff
- d. supported the leadership team to achieve a good or better OFSTED rating
- e. provided some limited teaching
- f. Provided opportunities for Harlington pupils for academic enrichment through talks, shared trips, individual student use of Oakham's Smallbone Library, UCAS talks and careers advice

Events to note during this academic year

- a. 80 Year 12 Harlington pupils attended the Oakham School University Fair
- b. Harlington pupils attended the Apprenticeships Evening at Oakham in June 2019



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**TRUSTEES' REPORT (CONTINUED)**  
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- c. The "Healthcare in the News Event" hosted by Oakham's Careers Department was held at Harington
- d. Harington pupils receive weekly support from Oakham's Clinical Courses Careers Teacher with their applications for Medicine degrees
- e. Oakham facilitated French A-level oral examinations for Year 13 Harington pupils
- f. Oakham's Learning Support Department provided access arrangements and a full assessment and report of a Year 13 Harington pupil
- g. A Harington pupil was part of the Oakham Symphony Orchestra for half of this academic year

**2. The awarding of means-tested bursaries:**

In the year, 72 pupils (2017/18: 70) benefitted from means-tested bursaries totalling £990,083 (2017/18: £876,998), representing an average award of £13,751 (2017/18: £12,529). Within this amount, the School funded two 110% Springboard bursaries.

**3. Partnership and outreach programme**

- a. Free concerts (c 80 performances per year) for the community
- b. All Drama performances are open to the local community (c 7 per year)
- c. Support in kind for Oakham Choral Society, Rutland Concert Band and Rutland Big Band
- d. The annual Combined Cadet Force (CCF) Duke of Edinburgh Gold Award expedition always involves some formal community work
- e. Annual instructional support to the RAF's Air Cadet Leadership Course at RAF Cranwell
- f. Partnering English Martyrs CVA and Whissendine Primary School to run a Project 500 STEM-themed reading challenge
- g. Language teaching at English Martyrs CVA by a teacher & F6 pupils
- h. Help at an after school Spanish Club at St Mary & St John Primary School by F6 & F7 pupils.
- i. Hosting outdoor activities at Whissendine Primary School including canoeing, rafting, fire lighting, climbing
- j. Providing tents to Casterton College for their D of E Expeditions
- k. Donating Ordnance Survey Maps to local RAF Cadets
- l. Contributing an 'Ancient Greek Day' at Leighfield Academy
- m. Teaching a Science lesson at Ryhall C of E Primary School
- n. Delivering a series of Video Workshops to Year 6 pupils at Tugby C of E Primary School
- o. Mentoring of Postgraduate Certificate of Education (PGCE) students
- p. DT, Music and Sports coaching days offered to local primary schools
- q. Head of Economics taught A-level students at Southfields School in Kettering
- r. Author visits organised by the Library to which local primary school pupils are invited
- s. Careers advice and practice interviews for local Sixth Form students applying for medicine related degree courses
- t. Hosting meetings of Biology Society to which local schools are invited

**4. Overseas Educational Partnership programmes:**

Kenya

Every year, we take between 30-40 Form 6 pupils to Kenya. Our aim is to help refurbish local primary schools by providing equipment, refurbishing classrooms and adding to the infrastructure of the school as a whole. This involves replacing windows and doors, plastering rooms, buying and installing water tanks, replacing roofing, and creating fun and interactive areas in which local children can learn. Whilst there, we also arrange a sports afternoon for the local children, and our pupils prepare and teach lessons to two year groups.

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In order to achieve all this, our pupils arrange various fund raising events, which have included cake sales, speech day activities, the sale of Kenyan goods, race nights, and their big event: an auction dinner. The whole trip is organised by the pupils, and they are in charge of deciding the work that is to be done in Kenya, with some guidance from staff.

India

Form 6 pupils visit a school building project, where they teach, interact and engage with primary school aged children in a rural village in North India. They raise funds themselves through activities such as seasonal sales, food sales, coffee mornings, odd jobs, bracelet making, market stalls. This fundraising contributes to maintenance of the school building, staffing, uniforms and school resources. Our students were able to tidy the school area, reorganise the library, and add pedagogical paintings. They also spend time with the local people, visiting their homes and taking part in discussions to understand what life is really like for them.

**5. Community Service**

The School stresses the importance of community service to its pupils who participate in a wide range of activities which include:

- a. Assistance in local charity shops
- b. Working at Rutland Care village including regular coffee mornings, visits and the Christmas Luncheon
- c. Helping in local nurseries and primary schools.
- d. Annual Harvest Party for local elderly residents
- e. Helping disabled children with horse-riding at Somerby Riding School
- f. Helping at Rocks by Rail – clearing land and painting/renovating steam engines

**6. Teaching staff contributions to Educational bodies**

- a. The Director of Music is Trustee and Vice Chair for Arts for Rutland and is a member of the Incorporated Society of Musicians' Educators' Special Interest Group which advise the ISM on education matters
- b. The Head of Design & Technology is a member of the IB Curriculum Review Panel and a Moderator for IB DT
- c. A Physics Teacher is the organiser of the Rutland Astronomical Society
- d. The Head of Library serves on the National Committee of the School Libraries Group of the Chartered Institute of Library & Information Professionals and regularly speaks at regional and national Librarian conferences. He was officially nominated by the CILIP to represent the UK on the Section Standing Committee for School Libraries of IFLA
- e. The Deputy Head Academic and Head of Library submitted an Abstract for LILAC (The Information Literacy Conference (24-26 April) at the University of Nottingham which was accepted
- f. The Deputy Head Academic and Head of Library spoke at the World Leading Schools Organisation (WLSA) in July 2019 as part of the FOSIL Group Project
- g. The Languages Department are part of the SCITT Initial Teacher Training Programme in MFL I partnership with Sheffield Hallam University
- h. The Contingent Commander is an ex-officio Committee member of the Oakham Branch of the Royal British Legion and the CCF Representative for the Leicestershire & Derbyshire Reserve Forces & Cadets Association
- i. School staff are governors at local primary and secondary schools

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**TRUSTEES' REPORT (CONTINUED)**  
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**7. Raising funds for charity**

The School raised £28,000 through fundraising events over the year. The main charity was Rainbows Hospice for Children and Young Adults – a local charity representing the only Hospice of its kind in the East Midlands. Other charities for which pupils and staff have raised funds over the year included Children in Need, Macmillan Cancer, Young Minds, Motor Neurone Charity, Build Africa, Water Aid, Matt Hampson Trust, St Michael's Church, Whitwell, Sash Charity in Nottingham and Papryus – Prevention of Suicide for Young People.

**8. Free use of the School's facilities by clubs and communities**

The School makes available at no charge its Pavilion, Wilson Auditorium, Library, Chapel and Old Hall. In excess of 400 hours were staged in Oakham's facilities at no charge. A market rate would have been around £27,000.

**9. Hiring out of swimming pool, sports hall and other sports facilities**

Regular users include Oakham C of E Primary School, English Martyrs CVA, Langham Primary School, Brooke Priory School, South Witham Academy, Sherard Primary School, Melton Swim Club, Dive Rutland, Oakham Cricket Club, Wakerley & Barrowden Cricket Club, Market Overton Cricket Club, Leicestershire County Cricket Club, Cottesmore Amateur Football Club, Royce Rangers Football Club and Rutland Mixed Hockey Club.

**10. Loan of equipment**

The School loans the use of equipment such as Laser Cutters for design and technology work and Samba instruments to primary and prep schools.

**Principal Activity**

The Charity principally provides education in Oakham to boys and girls from the ages of 10 to 18. Many of these pupils come from the immediate vicinity of the county of Rutland, and others come from elsewhere in the UK, as well as overseas. Some 35 different nationalities are represented by pupils in the school, and 18% of the pupil body (51% of Form 6 and Form 7 full boarders) are international students. It remains an objective that the overall school size should not exceed an optimal 1,080, to include 50% boarders, and that it should retain a genuine co-educational ethos across all age groups.

Oakham School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that Oakham School will be able to educate and develop that pupil to the best of his or her potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Oakham School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share in this commitment. Parents are given regular information about their children's social and academic progress, both in formal parent meetings and written communications, as well as other, more informal communications.

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**TRUSTEES' REPORT (CONTINUED)**  
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The School's facilities are put to good educational use during holiday periods, with activities including residential language schools and football academies, accommodation of the world renowned Bird Fair at Rutland Water, various sporting events and other courses.

The School actively pursues the attainment of the highest standards, partly through networking with other major schools and partly through peer group studies for the evaluation of quality and performance improvement methods. In addition, the School benefits from the loyalty, commitment and generosity of a thriving network of Old Oakhamians whose close support is greatly appreciated and gladly acknowledged.

### **Medium Term Strategic Objectives**

Trustees and senior leadership team members met regularly throughout the year to progress work on the School's medium term Strategic Plan. As a result of these sessions, Strategic Objectives were developed to enable the School to continue to fulfil its aims in line with its stated Strategic Vision. Trustees expect the objectives to shape the work of the School over the next five years to 2022 and will review them as appropriate throughout that period.

Each year, the senior leadership team develops a shorter-term School Improvement Plan (SIP) with the aim of achieving the medium term objectives which is shared with Trustees. The SIP 2016-2019 has had a number of major work streams, specifically:

- Development of Teaching and Learning
- Development of the curriculum in the Lower, Middle and Upper School
- Development of the business model to increase surplus

Areas forming part of the SIP have included Academic, Pastoral, Spiritual Development, Staff Development and Engagement, Internationalism, Communications and Marketing, Admissions, Estates including Grounds, IT and Finance.

### **Strategies to Achieve Objectives**

The School is working towards accreditation in the International Baccalaureate so-called Middle Years Programme (MYP) for Forms 1, 2 and 3 (Years 7 to 9 inclusive). The IB MYP is a framework of teaching and learning that encourages students to become creative, critical and reflective thinkers. It emphasises intellectual challenge, encouraging students to make connections between their studies in traditional subjects and the real world. It fosters the development of skills in communication, inter-cultural understanding and global engagement.

The IB Learner Profile, which is common to all IB programmes, is a very close match to the attributes widely regarded by employers, universities and numerous international groups as those essential for the future and hence consistent with the stated strategic vision of the School.

The MYP programme has been well received by pupils, their parents and teaching staff alike.

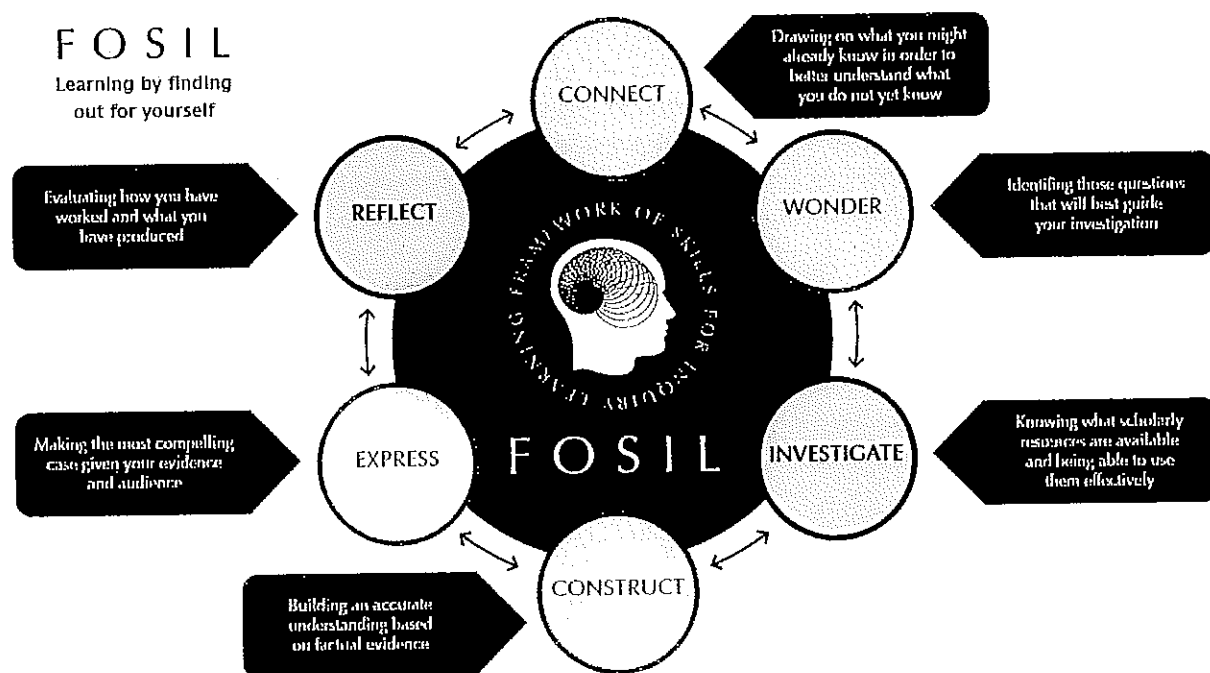
Extensive use is made of Durham University's Centre for Evaluation and Monitoring (CEM) and the baseline methodologies associated with MidYIS and Alis for predicting grades and measuring value added. MidYIS is a computer-adaptive assessment for 11-14 year olds which assesses vocabulary, mathematics, non-verbal ability and reasoning and skills. Alis is a computer-adaptive assessment for students aged 16-18 which assesses the first three areas.

The School has over a number of years developed its own School Management Information System (MIS) and believes this system market leading in terms of its ability to track pupil progress. That said, a review of the future direction of Oakham's MIS concluded that Oakham would move to the market leading off the shelf MIS product, iSAMS. A project is up and running to implement this for September 2020.

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**TRUSTEES' REPORT (CONTINUED)**  
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Oakham has developed a Framework of Skills for Inquiry Learning – FOSIL. FOSIL is a model of the inquiry process with an underlying framework of skills. These tools help educators to design and resource effective inquiries – often as a collaborative team involving teachers and librarians – and to support students engaged in inquiry. The diagram below shows the FOSIL cycle.



Oakham has formed a FOSIL Group which has attracted widespread interest from the UK and beyond, with 112 school members by September 2019. The School's Head Librarian has been invited to speak at a variety of international conferences on the subject.

Ever growing teenage mental health issues have featured prominently in the national press in the last few years and Oakham has implemented a number of measures to maintain its market-leading position in the provision of pastoral care, not least AS Tracking, which is an adolescent mental health tracking tool that enables schools to identify hidden risks early. Evidence shows that AS Tracking improves whole school and individual pupil well-being by equipping teachers with in-school, targeted action plans to reduce risks to pupil mental health and well-being. Additional resource was added in the Welfare area in the form of additional day matrons as well as a Lead Mental Health Practitioner working alongside the School's counsellor, a clinical psychologist.

The Lower School (Years 6 to 8 inclusive) model was changed to coincide with the appointment of a new Head of Lower School. Rather than a boys' day and boarding house, and a girls' day and boarding house, four day/boarding houses were introduced. Pastoral Support was provided by four Housemasters and mistresses, one resident matron/assistant house parent for each of Boys and Girls, a Head of Lower School Boarding, two resident tutors, and most recently a day matron. This model is proving successful.

Various benchmarking over the years had pointed to the fact that the Oakham pupil:teacher ratio was lower than peers. The division of teaching time, tutorials and supervision of Activities and Sports was reviewed in consultation with the Common Room during the year and subsequently adjusted for the start of September 2019. A number of Graduate Fellows (young recent graduates) were hired to support the Total Curriculum Programme.

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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Impetus for this manoeuvre was also given by the unexpected announcement that the Employer Contribution to the Teachers' Pension Scheme (TPS) was to increase from 16.48% to 23.68% from September 2019. The ongoing affordability of the TPS remains under review.

Work continued on progressing the School's Capital Development Plan. The two main projects in the year were associated with girls boarding, staff accommodation to accommodate the additional Graduate Fellows and the refurbishment of two classrooms in Modern Foreign Languages in the Ashburton Building. In Rushebrookes, a girls' boarding house, the majority of the rooms were refurbished with a more modern design of fitted furniture, improved lighting, and carpets and curtains. A number of circulation spaces were also refurbished. All Year Groups were completed in year except Form 5 as per the scheduled plan. The former Medical Centre, comprising three terraced houses in Station Road, were converted and fully refurbished into seven bed sits with communal kitchen spaces, bathrooms and living rooms. Work continues during Winter Term 2019 to complete the project which will ultimately provide ten bed sits in total.

Continuing efforts to focus on the utilities expenditure, which together with food purchases are the largest items of third party, non-staff operating expenditure, has been successful.

The use of a new third party contractor to service boiler plant during August 2019 throughout the school highlighted a number of issues which has led to four sets of boiler plant to be renewed, with this project also running into Winter Term 2019.

Trustees and SLT continue to identify strategies to

- Increase pupil numbers to in excess of 1060;
- consider appropriate ways to control the cost of teachers, which represents around half the cost base, through looking at workload, breadth of subject offering, subject blocking and timetabling and finally set sizes; and
- maintain tight control and/or reduce third party operating expenditure and support staff headcount.

### **Volunteers**

Old Oakhamians helped with School fundraising and cultural activities to the extent of more than 1,000 hours of voluntary service during the year, and the Board would like to take this opportunity to say how much their continuing and valuable support was appreciated.

### **STRATEGIC REPORT**

This year the School averaged 1,044 pupils (2018: 1,036) of whom 488 (2018: 476) were day pupils, 112 (2018: 84) were flexi-boarders (up to 5 nights), 107 (2018: 125) were day boarders (3 night) or transitional boarders in the Lower School and 337 (2018: 351) were full boarders. The introduction of the flexi-boarder status has proved popular with parents and confirms the decision by senior management to offer what the market was wanting. The day-boarder status is no longer offered for new joiners and thus will phase out over time

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

Results in public examinations this year included positive headlines, particularly Post-16. Combining results in A-levels, the International Baccalaureate Diploma Programme (IB DP), Pre-U and BTEC, 48% of entries were graded A\*/A (2018 46%). The average score for IB DP was 35.3 points (2018: 34.8 points) comparing very favourably to the worldwide average of 29.6 and ranks above the UK independent sector IB DP average. 27% of IB DP students achieved 40 points or more, the equivalent of 4 A\*s at A level. Overall 72% of students (2018: 70%) gained A\*/A/B or equivalent. 48 (2018: 41) students gained straight A\*s/As or equivalent in Upper School qualifications. 52% (2018: 62%) of GCSE/IGCSE grades were graded A\*/A or 9-7, with 11% of grades in the new 9-1 system being grade 9. The second cohort of BTEC level 3 Diploma in Sport and Exercise

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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Science students many achieved Distinction\* and/or Distinction grades – equivalent to A\* or A grades at A-level with an encouraging pass rate in the first cohort of BTEC Business.

The academic endeavours of Oakham's pupils are supported by the magnificent Smallbone Library. This includes 20,000 non-fiction titles, 10,000 fiction titles and 25 subscription databases. There are on average 600 pupil visits per day and an average of 80 pupils doing prep each evening.

In terms of the many academic enrichment opportunities at Oakham, this was the fourth year in which students' teams entered the "Teen Tech Awards" (which encourages innovative thinking in STEM subjects). For the 4th year running Oakham triumphed at the final, with three teams reaching the final and one student winning the Best Research Award prize. Since 2013, Oakham has won nine awards at this event. Oakham was again recognised as a Centre of Innovation and Creativity.

Six students entered the University Modern Language Essay Competition and the Overall Winner was awarded to an Oakham pupil. Six of Oakham's linguists spent the day at Nottingham Girls High School, and tasked with writing, directing and acting in a play on a topical issue in their target language; they won a number of awards including Best Language, Best Play and Best Projection and Body Language. Each year our pupils have the opportunity to present at the Euroscola Conference and give a presentation in an MFL to over 500 delegates. Twelve Form 7 (Year 13) pupils participated in MUN and were successful in having their resolutions passed and benefitted from working with 23 other school on potentially world-changing decisions.

In mathematics competitions, 2018 saw Oakham pupils awarded 15 x gold, 19 silver and 21 bronze certificates. Pupils are entered into Science challenges with great success and also Science Olympiads, which are prestigious competitions that Form 7 (year 13) pupils participate in with over 8,000 entrants. In 2018, awards won included: Biology 1 x silver and 1 x highly commended, Chemistry 2 x silver, 3 x bronze, Physics 1 x bronze and 15 further awards.

Computer Science pupils took part in the school's second Hackathon specially designed to develop students' problem-solving skills and abilities. We also hosted Rutland Schools' first ever Philosophon.

The International Global Citizenship Award encourages young people to become better global citizens by finding out about other cultures and considering their personal global footprint. The assessment involves a year of collating experiences and a final presentation; pupils' topics included an interview with a First Nation Canadian to experiencing life in Scandinavia. In 2018 one pupil gained the gold award, the first to be awarded in the UK.

In addition to the excellent academic achievements, the School has continued to reach impressive levels of excellence in a range of extra-curricular activities. Exceptional levels of performance are a regular feature of Music, Sport and Drama. In Music, 600 music lessons are scheduled per week, as well as 20 rehearsals for 20 different ensembles. We put on at least 60 musical concerts per year. Every Wednesday during term time we have a lunchtime concert with performances from music scholars at All Saints' Church. Music at Oakham has enjoyed another highly successful year, during which the School's musicians have excelled in the spotlight of major performances in the national arena. Nearly 300 students excelled in the school's annual Gala Concert, held this year in the Albert Hall in Nottingham. The Chapel Choir also gave the first performance of a newly commissioned work by Will Todd (For the beauty of the earth) to mark the retirement of Mr Lashbrook as Headmaster. Members of the Chamber Choir, Symphony and Chamber Orchestras embarked on a very successful tour of Latvia and performed in a number of spectacular cathedrals.

For the eighth time, one pupil was the winner of the Royal Opera House fanfare competition. Many accomplished pupil musicians can be found playing in major national and regional ensembles, including the National Youth Music Theatre, the National Children's Choir, the Britten Sinfonia Academy, the National Children's Orchestra, the National Children's Wind Orchestra and the National Youth Orchestra.

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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In Drama, the Main School Production was a fantastic performance of the classic, Dickens' A Christmas Carol, which was sold out each night. The Lower School production of Alice's Adventures in Wonderland and Through the Looking Glass impressed audiences in the summer term. There was an additional Lower School performance – the Magical Voyage of Ulysses. The Middle School superbly showcased Return to the Forbidden Planet which was in contrast the phenomenal Drama Scholars outstanding performance of Moira Buffini's Handbagged. Four students received offers at RADA, The Lir, The Bristol Old Vic Theatre School and East 15. Two pupils were invited to join the highly acclaimed National Youth Theatre of Great Britain.

In Sport, the year has been a very successful one for Oakham teams and individuals in competitions locally and nationally as well as in providing sporting participation for the whole of the Oakham community. We give as many pupils as possible the opportunity to represent their school and on a Saturday afternoon the School can regularly field 30 Middle and Upper School teams, involving over 500 students. We offer pupils the opportunity to train and represent themselves at all levels in a plethora of different sports.

Oakham pupils enjoy outstanding success at local, regional and national levels. At any one time, around 60 boys and girls are representing their county or country in their chosen sport, and both pupils and staff are proud of our Alumni representing their country at national and international level.

In 2018, 8 out of 9 Hockey County Cups were won by the boys and girls, with numbers almost doubling for players involved in the England Hockey Pathway. The U12 Girls & Boys and the U13 Girls & Boys reached the Regional Finals. The U13 girls finished runners-up and progressed to the National Finals. The U14 Boys teams fully embraced participation and success, with virtually every boy in the year representing the School across multiple Saturdays. The U14E team had a tremendous season being almost entirely unbeaten until the final match which was lost. The U14B team were the pick of the year group going the entire season unbeaten. The U14As finished runners-up in the Regional Finals and progressed to National Finals

In Netball, the U14 and U19 Netball teams were crowned County Champions, and the U19s also became Regional Champions. In Girls' Football, Oakham's Girls 1st XI were crowned the Midlands League Champions with a 100% record. Athletics saw some fantastic results in the Leicestershire and Rutland County Championships: Year 7 Girls and Boys teams placed 1<sup>st</sup>, Senior and Junior Girls came 2<sup>nd</sup>, with the Inter Boys and Junior Boys placed 3<sup>rd</sup>. Oakham has also seen impressive results, with shooters winning the Midlands Schools Cup and pupils being selected to shoot at a national level.

There have been significant success for individuals in Sport this year:

- In Rugby Union, three boys played international rugby for England U18, Wales U18 and England Counties U18. Two students played for Leicester Tigers U18 and three at U16 level
- One pupil represented Wales U20s in the World Rugby U20 Championship in Argentina
- Girls Football: The captain trained with Leicester City Women and has also played several matches for the ISFA National Representative squad. She was also part of the U19 Northern Ireland Squad taking place in the European Championships
- A Form 1 pupil won gold in the 800m and 1500m races at the Northamptonshire County Track and Field Championships
- In Sailing Ten Oakhamians represented GB at the RS Feva World Championships in Florida
- One of our top sailors was accepted into the Nacra 15 GBR squad, with extra support from Leicestershire and Rutland Sport as part of their 'Go Gold' funding
- In Golf, one pupil won a hat-trick of titles; U14, U16 and U18 Lincolnshire County Golf Championships (The is something that is not known to have been achieved before the competition started in 1937!).

The School is rightly very proud of our sporting heritage and takes great care to nurture these talents through coaching and strength and conditioning training so that pupils of all ages are able to achieve their aspirations.



**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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The School laid on a wide range of international trips for its pupils including:

- Kenya expedition: supporting rural village schools
- School ski trip to Les Deux Alpes
- Battlefields trip
- CCF Trip to Norway
- Spanish Cultural and Language trip to Madrid and a German Exchange Programme
- India expedition: working in partnership with the Doon School to support a rural village school
- Social sciences bi-annual trip to New York and Washington to places of political and economic significance e.g. The New York Stock Exchange
- Music trip to Latvia

The School's extensive activities programme, which includes the organisation of 125 activities a week, provides pupils with a genuine opportunity to find their niche: the Combined Cadet Force and Community Service continue to be particular strengths of the School and provide a real element of service to the community within the school curriculum. Oakham School was the first school to reach 1000 Gold Duke of Edinburgh awards and an astonishing 5000 awards back in 2011. 27 Gold Awards were received in 2019. The richness of the wider curriculum is further enhanced by the Creative Arts in which exceptional work is produced in the Art School and Jerwoods School of Design. Voluntary Action within the community remains a popular choice for those pupils who do not wish to pursue CCF or Duke of Edinburgh.

A personal, individual success worthy of note, is that one pupil with her dog Tia, came 3rd in the semi-final of the Young Kennel Club Agility Dog of the Year, qualifying for the final in the main arena.

### **Fundraising Performance**

The School's fundraising efforts have been delegated, since 2000, to the Oakham School Foundation. With the Jerwood School of Design, the Mehra Faculty of Science and the BAF Smith Pavilion among the key achievements of the first ten years, work is now underway to build upon that success and secure gifts for funding further school development. Until September 2019, the focus has been towards fundraising for Music and Drama facilities, additional Sports Facilities and the raising of funds to support bursaries, and specifically 110% Springboard bursaries. The emphasis going forward will be on raising money for Bursaries to give more children, whatever their circumstances, an opportunity to benefit from all that Oakham School has to offer. Success in this campaign will require higher levels of awareness and support from OOs, Parents, and external parties than has previously been achieved. The Foundation Office has been restructured to give greater emphasis and resource to supporting this vision; this has included the combining of the Development Team with the Marketing and External Communications team, and the appointment of a Head of Development. The School has invested in a database called Raiser's Edge NXT to support sustained fundraising and stewardship. This system will go live at the end of October 2019.

Donations raised in 2018/19 totalled £253,000 (2017/18 £318,000). As at 31 August 2019, donations, commitments and pledges totalled £979,000. The monetary value of the potential pipeline of donors being worked on was £1.6m.

The Foundation undertook a Telephone Campaign in August and September 2019, which involved 12 recent OO Leavers calling over 500 OOs. The calls were to reconnect with OOs, bring them up to date on developments at Oakham and encourage them to donate. This was successful and the feedback overall has been positive.

Engaging potential supporters with the School on a long-term basis is a key priority, along with having a donor centric approach to fundraising. Oakham School is deeply committed to all its donors and remains dedicated to treating its supporters with the highest level of care and respect. A Donor Charter is in place to assure donors and potential donors of the integrity and accountability of the School's fundraising efforts. The School

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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will respond within 30 days to a complaint by a donor or prospective donor about any matter relating to the School's alumni or fundraising activities. A member of the School's leadership team will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will have the chance to appeal in writing to the School Trustees who will respond within a further 30 days. No complaints were received in the year to 31 August 2019.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The results for the year are set out on pages 23 and 24. In the year to 31 August 2019, there was net expenditure from operations of £1,011,000 (2018: net expenditure of £212,000). The net expenditure for the year reflects a gross fee increase of 4.0% on the previous year (2018: 1.0%) however the increase was impacted by a change in the boarding mix with a greater number of pupils taking advantage of the flexi-boarding option to the detriment of full boarding. The depreciation charge for the year increased by £363,000 to £1,870,000, as planned, the School invested capital funds amounting to £730,000 in the year (2018: £2,048,000). The capital expenditure in the year was primarily in respect of planned remodelling and refurbishment of Lower School buildings, complete renewal of the School Shop roof and certain remodelling and refurbishment of Roundhouse.

There were also unrealised gains on investments arising in The Elizabethan Trust of £110,000 (2018: £223,000), and actuarial losses on defined benefit pension schemes of £570,000 (2018: £0)

The School's trading company, Oakham School Enterprises Limited (OSEL), contributed £210,000 (2018: £116,000) in recognition of its use of School facilities. After allowing for this contribution, OSEL made a residual profit of £82,000 (2018: loss of £44,000). A Gift Aid payment of £52,000 will be made in the year to 31 August 2020 in respect of the net profit from educational lettings in the year to 31 August 2019. (2018: £nil)

The Senior Leadership Team and Trustees monitor the performance of the School through a series of Key Performance Indicators tracked over many years and benchmarked against the independent school sector and specific comparable peer groups within the sector through Baines Cutler Solutions benchmarking surveys. Pupil numbers are vital in terms of income and surpluses and likely future numbers are tracked carefully through the Admissions Department and through lead indicators (enquiry levels, parent visits, numbers at Open Days, numbers registered for entrance examinations etc). 75% of the School's operating expenditure is represented by the overall wage bill. 50% of operating expenditure is represented by the wage bill of the teaching establishment. The School participates in the triennial Baines Cutler Solutions Teacher Pay, Benefits and Workload Survey to benchmark against its peers. Staff costs as well as the pupil: teacher ratio, teacher cost per pupil and teacher cost as a percentage of Net Fee Income are tracked carefully. One of the most important indicators is investment surplus (surplus before depreciation, profit or loss on disposal of fixed assets and unrealised investment gains or losses). As stated previously the investment surplus for Oakham School including OSEL, the activities of the Foundation and the investment performance of the Elizabethan Trust was £859,000 (2018: £1,195,000), representing 3.6% (2018: 5.1%) of net fee income.

#### **Asset Cover for Funds**

Note 18 to the accounts sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

The School's tangible assets are all held for use by the School.

#### **Reserves Policy**

The Trustees regularly review the level and nature of the total funds of the School. The Trustees anticipate that the School will continue to accumulate sufficient reserves by means of annual operating surpluses to generate resources for the continued development of the School.

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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Due to the heavy investment in fixed assets, notably buildings, in the School, there are currently no free reserves in the School (2018: £nil). However, the Trustees are satisfied that external finance facilities provide an additional and adequate safety net if it should be required. A £1.5m overdraft facility is in place, which runs through to August 2020. Furthermore, the consolidated School position includes The Elizabethan Trust which had total funds of £5,215k at 31 August 2019 (2018: £5,210k). Of the total funds, £2,951k (2018: £3,102k) were unrestricted. The funds are primarily held in common investment funds which are managed by regulated UK based fund managers. Accordingly, they consider that the going-concern basis remains appropriate for the preparation of the School's accounts.

#### **Investment Powers, Policy and Performance**

The governing document imposes no specific restrictions on Trustees' investment powers.

During the prior year endowed and restricted funds represented by long-term investments were transferred to The Elizabethan Trust, a related charity, whose core aim is to support the objectives of Oakham School. The purpose of the transfer was to enable the investments to be managed together with other long-term holdings of The Elizabethan Trust for the benefit of the School.

#### **FUTURE PLANS**

The School's five-year Strategic Plan to 2022 was developed as part of a strategic planning process as described earlier in the report. The School Improvement Plan incorporates initiatives to address each of these strategic objectives to ensure that the School continues to provide a first-class education to pupils and benefit to the wider community. Planning and business decisions are supported by a 3 year financial model and reviewed regularly by Trustees.

Accreditation for the IB Middle Years Programme remains at the core of the academic curriculum.

Subject to the level of surpluses and success of fundraising, future capital expenditure is likely to be focused on enhancing girls' boarding facilities (Rushebrookes and Buchanans) and the Performing Arts.

At the start of the year, Nigel Lashbrook announced his planned retirement at the end of summer 2019, and after a detailed and rigorous selection process, Henry Price, former Headmaster at Wellington School in Somerset, was appointed from September 2019. Other senior positions saw changes with Arthur Mayhew joining as Senior Deputy Head from Wells Cathedral School and Dr Leo Dudin joins as Deputy Head Academic in January 2020 from Uppingham School.

#### **RISK MANAGEMENT**

The Board of Trustees is responsible for the strategic management of the risks faced by the School. Identification of risk and appropriate control and mitigation procedures is delegated to the Policy and Compliance Committee, with the numerous and more technical financial risks being delegated to the Finance Committee, assisted at a detailed operational level by the Senior Leadership Team. Assessment of risks occurs throughout the year, and the formal Risk Register is reviewed and updated by Trustees at the Policy Committee in October. The summary document identifies risks, assesses their impact and likelihood and where necessary, recommends controls to mitigate and monitor risks.

Key risks which have been identified through the risk management process (with actions and mitigants shown in brackets) during the year include:

- The level of financial surplus does not permit the School to invest as it would wish (three year financial Gap Closure Plan; greater control of establishment headcount and the wage bill; scrutiny of teaching establishment; review of teacher workloads move to 22/1/2 model described earlier)

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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- Pupil numbers and pupil mix: (introduction of the new boarding model and flexi-boarding (up to 5 night); improvements to KPIs coming from the Admissions Department)
- Site security (incremental improvements to make the School's intrinsically very open site more secure; introduction of additional CCTV, introduction of staff ID badges and lanyards from September 2019)

Macro risks which have been discussed in detail at Trustee and Senior Management Level include:

- The lack of affordability of independent fee-paying schools to ever-growing proportions of the population (very detailed market research; Affordability Survey carried out in October /November 2018)
- Child safeguarding (Trustee with child-safeguarding responsibility has walked through all policies and procedures) to confirm they are actually being implemented
- Developments at competitor schools (continued focus on excellent educational outcomes for Oakham's pupils)
- Risks associated with the potential removal of 80% charity relief on business rates as has been announced in Scotland for Scottish independent schools from 2020/21
- Risks associated with the increase in employer contributions to the Teacher's Pension Scheme from September 2019
- Brexit and the impact on the appetite for parents in EU countries to send their children to the UK for their education
- Risks associated with a change of government and possible application of VAT onto School Fees by a Labour Government as well as Labour Party threats of abolishing independent schools

The key controls used by the Charity include:

- Formal agendas for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Use of expert external professional advice

#### **Investment Powers, Policy and Performance**

The governing document imposes no specific restrictions on Trustees' investment powers.

During the prior year endowed and restricted funds represented by long-term investments were transferred to The Elizabethan Trust, a related charity, whose core aim is to support the objectives of Oakham School. The purpose of the transfer was to enable the investments to be managed together with other long-term holdings of The Elizabethan Trust for the benefit of the School.

#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Trustees (who are also directors of Oakham School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

**OAKHAM SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2019**

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

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

**RELEVANT AUDIT INFORMATION**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

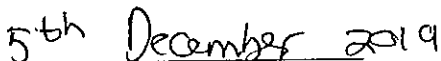
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

Signed on behalf of the Trustees:



Professor N Gorman, Chairman of Trustees



Date

**OAKHAM SCHOOL**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKHAM SCHOOL**  
**YEAR ENDED 31 AUGUST 2019**

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**Opinion**

We have audited the consolidated financial statements of Oakham School for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated 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 group's and of the parent charitable company's affairs as at 31 August 2019 and of the group's and parent charitable company's net movement in funds, including the 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 group 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**OAKHAM SCHOOL**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKHAM SCHOOL**  
**YEAR ENDED 31 AUGUST 2019**

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**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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**OAKHAM SCHOOL**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKHAM SCHOOL**  
**YEAR ENDED 31 AUGUST 2019**

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**Use of this 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

12 December 2019



**OAKHAM SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds	2019 £'000	2018 £000
<b>Income and Endowments from:</b>						
<b>Charitable activities</b>						
School fees receivable	2	24,163	-	-	24,163	23,552
Ancillary trading income	3	1,930	-	-	1,930	2,628
<b>Other Trading Activities</b>						
Non ancillary trading income	4	886	-	-	886	739
<b>Investments</b>						
Investment Income	5	70	37	-	107	104
Bank and other interest		12	-	-	12	3
<b>Voluntary Sources</b>						
Donations and legacies		-	253	-	253	318
<b>Other Income</b>						
Profit on sale of assets		6	-	-	6	100
<b>TOTAL INCOME</b>		<u>27,067</u>	<u>290</u>	<u>-</u>	<u>27,357</u>	<u>27,444</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading		618	-	-	618	565
Finance costs		141	-	-	141	144
Fundraising & Development		186	-	-	186	150
	8	<u>945</u>	<u>-</u>	<u>-</u>	<u>945</u>	<u>859</u>
<b>Charitable activities</b>						
Education and grant making	8	<u>27,282</u>	<u>141</u>	<u>-</u>	<u>27,423</u>	<u>26,797</u>
<b>Total expenditure</b>		<u>28,227</u>	<u>141</u>	<u>-</u>	<u>28,368</u>	<u>27,656</u>
<b>Net (expenditure) / income from operations before transfers and investment gains carried forward</b>						
		<u>(1,160)</u>	<u>149</u>	<u>-</u>	<u>(1,011)</u>	<u>(212)</u>

**OAKHAM SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2019 £000	2018 £000
<b>Net (expenditure) / Income from operations before transfers and investment gains brought forward</b>		(1,160)	149	-	(1,011)	(212)
Transfers	18	-	-	-	-	-
Unrealised gains/(losses) on investments	11	(20)	9	121	110	223
<b>Net income</b>		(1,180)	158	121	(901)	11
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit schemes	20	(570)	-	-	(570)	-
<b>Net movement in funds</b>		(1,750)	158	121	(1,471)	11
<b>Fund balances brought forward at 1 September 2018</b>	18	25,527	914	1,715	28,156	28,145
<b>Fund balances carried forward at 31 August 2019</b>	18	23,777	1,072	1,836	26,685	28,156

All operations of the company continued throughout both years and no operations were acquired or discontinued in either year.

The company had no recognised gains or losses in the year other than those above.

The accompanying notes on pages 27 to 49 are an integral part of this statement of financial activities.

The statement of financial activities includes the income and expenditure account. Details of comparative figures by fund can be found in note 21.

**OAKHAM SCHOOL**  
**(COMPANY NUMBER 06924216)**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**AS AT 31 AUGUST 2019**

	Notes	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	10	30,348	31,488	30,348	31,488
Investments	11	5,096	5,132	-	-
		<u>35,444</u>	<u>36,620</u>	<u>30,348</u>	<u>31,488</u>
<b>CURRENT ASSETS</b>					
Stock	12	181	212	20	36
Debtors	13	660	734	923	1,167
Bank and cash		4,018	3,694	3,664	3,358
		<u>4,859</u>	<u>4,640</u>	<u>4,607</u>	<u>4,561</u>
<b>CREDITORS: due within one year</b>	14	<u>(8,698)</u>	<u>(8,952)</u>	<u>(8,623)</u>	<u>(8,926)</u>
<b>NET CURRENT LIABILITIES</b>		<b>(3,839)</b>	<b>(4,312)</b>	<b>(4,016)</b>	<b>(4,365)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>31,605</b>	<b>32,308</b>	<b>26,332</b>	<b>27,123</b>
<b>CREDITORS: due after more than one year</b>					
Advance fees scheme	15	(3,156)	(2,875)	(3,156)	(2,875)
Deposits	16	(1,243)	(1,230)	(1,243)	(1,230)
Leasing		-	(47)	-	(47)
<b>Net Assets Excluding Pension Liabilities</b>		<b>27,206</b>	<b>28,156</b>	<b>21,933</b>	<b>22,971</b>
Defined benefit pension scheme liability		<u>(521)</u>	<u>-</u>	<u>(521)</u>	<u>-</u>
<b>Total Net Assets</b>		<b><u>26,685</u></b>	<b><u>28,156</u></b>	<b><u>21,412</u></b>	<b><u>22,971</u></b>
<b>Endowment funds</b>	18	<b>1,836</b>	<b>1,715</b>	<b>-</b>	<b>-</b>
<b>Restricted funds</b>	18	<b>1,072</b>	<b>914</b>	<b>645</b>	<b>521</b>
<b>Unrestricted funds</b>	18	<b>23,777</b>	<b>25,527</b>	<b>20,767</b>	<b>22,450</b>
<b>TOTAL FUNDS</b>	18	<b><u>26,685</u></b>	<b><u>28,156</u></b>	<b><u>21,412</u></b>	<b><u>22,971</u></b>

The net movement in funds of the Charity for the year was a reduction of £1,559,000 (2018 reduction of £60,000).

The financial statements were approved and authorised for issue by the board of Directors on 9th December 2019 and signed on its behalf by

Chairman



Chairman of Finance Committee



The notes on pages 27 to 49 form part of these financial statements.

**OAKHAM SCHOOL**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £000	2018 £000
Reconciliation of net (expenditure) / income to net cash flow from operating activities:		
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	(1,011)	(212)
Elimination of non-operating cash flows:		
- Investment income and bank interest receivable	(107)	(104)
- Bank interest paid	21	21
- Endowment donations	(253)	(318)
Depreciation	1,870	1,507
Surplus on sale of fixed assets	(6)	(100)
Decrease in stocks	31	-
Decrease in debtors	97	316
Decrease / Increase in creditors	(840)	475
Increase in Fees in Advance scheme	817	456
Increase in deposits	1	49
<b>Net cash provided by operating activities</b>	<b>620</b>	<b>2,090</b>
Cash flows from investing activities:		
Purchase of fixed assets	(730)	(2,048)
Sale of fixed assets	6	211
Purchase of investments	(546)	(455)
Sale of investments	692	590
Investment income and bank interest receivable – excludes rental income	107	104
<b>Net cash used in investing activities</b>	<b>(471)</b>	<b>(1,598)</b>
Cash flows from financing activities:		
New endowments	253	318
Net (decrease) / increase in Hire Purchase/Leasing Contracts	(56)	(48)
Bank interest paid	(21)	(21)
<b>Net cash provided by financing activities</b>	<b>176</b>	<b>249</b>
Change in cash and cash equivalents in the reporting period.	325	741
Cash and cash equivalents at the beginning of the reporting period	3,693	2,953
Cash and cash equivalents at the end of the reporting period	<b>4,018</b>	<b>3,694</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash at bank	<b>4,018</b>	<b>3,694</b>

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), 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.

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

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 19.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Oakham School Enterprises Limited and the Elizabethan Trust. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

The School is a Public Benefit Entity. On 1 September 2009, the Charity was incorporated into a new Charity Number 1131425, and a Company Limited by Guarantee Registered in England and Wales, number 06924216. Prior to September 2009 the School's Charity Number was 527825.

**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.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets, the element of staff costs which are capitalised in relation to capital projects and the provision for bad and doubtful debts which are discussed below. The following accounting policies have been applied consistently in dealing with items which are considered material in relations to the School's financial statements.

**Fees and similar income**

Fees receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

**Investment income**

Investment income is accounted for on a receivable basis.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trading Income**

Trading income, including income from the school shop, is included when receivable.

**Donations**

Donations subject to specific wishes of the donors are carried to relevant restricted or endowed funds.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

**Pension costs**

Retirement benefits to employees of the School are provided through two pension schemes, one defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme -- the scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the school accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) Defined Contribution Scheme for Support Staff --Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

**Expenditure and basis of allocation of costs**

Expenditure is allocated to expense headings on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those costs incurred directly in support expenditure on the objects of the Charity. Governance costs include external audit, any legal advice for the Trustees and all costs of complying with constitutional and statutory requirements such as the costs of Trustee meetings and preparing statutory accounts.

**Operating Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**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

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings together with vehicles, furniture, machinery and other equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

The cost of land and buildings includes interest which arose in previous years when borrowings were used to finance the building programme.

**Depreciation**

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

Freehold buildings	50 or 75 years
Improvements and extensions	20 years
Fittings and equipment	7 years and 10 years
Motor vehicles	5 years

**Stocks**

Stock is carried at the lower of cost and net realisable value.

**Fixed asset Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using closing quoted market prices. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The School does not directly acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

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

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Fund accounting**

The Oakham School funds are split into three categories: unrestricted funds, restricted funds and permanent endowment funds. A brief outline of the nature of these funds is as follows:

- **Unrestricted Funds**  
 Unrestricted funds may be expended at the discretion of the Trustees in furtherance of the objects of the School.
- **Restricted Funds**  
 Restricted funds are funds subject to specific trusts as declared by the original donor(s) but which are still within the objects of the School. The income of the restricted funds may only be expended in accordance with the terms of the specific trusts and the capital may or may not be expended dependent upon the term of the specific trusts.
- **Permanent Endowment**  
 Permanent endowment funds are capital funds where there is no power to convert the capital into income and which must generally be held indefinitely. Certain assets can be exchanged and may be subject to depreciation or loss.

**2. CHARITABLE ACTIVITIES FEES RECEIVABLE**

	2019 £000	2018 £000
<b>Fees receivable consist of:</b>		
Gross fees	27,321	26,466
Less: total scholarships bursaries, grants and allowances paid for from unrestricted funds	<u>(3,158)</u>	<u>(2,914)</u>
	<u>24,163</u>	<u>23,552</u>

Additional scholarships and bursaries of £140,000 (2018: £123,000) were paid for from Restricted Funds.

**3. ANCILLARY TRADING INCOME**

	2019 £000	2018 £000
Charges for trips and other extra-curricular activities	1,573	2,113
Additional tuition fees	229	224
Registration fees	42	42
Deposit fees forfeited	2	6
Charges for overdue fees	3	2
Fees Remission premiums	-	162
Sundry Income	<u>81</u>	<u>79</u>
	<u>1,930</u>	<u>2,628</u>

Charges for trips and other extra-curricular activities represent parental contributions to the cost of such activities which are reflected in support costs in the analysis of the total expenditure in note 8.



**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. NON-ANCILLARY TRADING INCOME**

	2019	2018
	£000	£000
School	82	72
OSEL	804	667
	<u>886</u>	<u>739</u>

**5. INVESTMENT INCOME AND BANK AND OTHER INTEREST RECEIVED**

	2019	2018
	£000	£000
Income from Common Investment Funds	107	104
Bank and other interest received	<u>12</u>	<u>3</u>
	<u>119</u>	<u>107</u>

**6. EXPENDITURE**

	2019	2018
	£000	£000
Other expenditure includes:		
Operating lease rentals (plant & machinery)	17	17
Auditors' remuneration:		
For audit - School	19	18
For audit - OSEL	3	3
For audit - Elizabethan Trust	4	4
Non-audit fees - School	1	1
Non-audit fees - OSEL	<u>1</u>	<u>1</u>

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. STAFF COSTS**

	2019	2018 £000
Total Staff costs		
Wages and salaries	15,141	14,505
Social security costs	1,455	1,401
Pension contributions	1,820	1,774
	<u>18,416</u>	<u>17,680</u>

Total staff costs include £119,000 (2018: £210,000) of school labour used to complete capital projects and therefore included in the addition to tangible fixed assets in the year.

The average number of employees during the year was 581 (2018: 556) of which 280 (2018: 273) were teaching or teaching support staff. The School employs a significant number of part-time staff many of whom are only employed for a few hours each week during term time. The average number of employees during the year calculated on a full time equivalent basis was 416 (2018: 422) of which 209 (2018: 221) were teaching or teaching support staff.

Neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Trustees' travel and other expenses of £328 were reimbursed in the year (2018: £321).

	2019 £000	2018 £000
Aggregate employee benefits of key management personnel	<u>664</u>	<u>654</u>

The number of employees whose emoluments exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	22	24
£70,001 - £80,000	3	1
£80,001 - £90,000	3	2
£110,001 - £120,000	0	1
£120,001 - £130,000	1	0
£160,001 - £170,000	0	1
£170,001 - £180,000	1	0

In 2019, twenty-eight (2018: twenty-seven) of the above were members of the Teachers' Pension Scheme, a defined benefit scheme. Pension contributions were made into a Defined Contribution Scheme for the other two higher paid employees (2018: two).

During the year there were redundancy or termination payments made which amounted to 33,000 (2018: £20,000).

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. ANALYSIS OF TOTAL EXPENDITURE**

**2019**

	<i>Staff costs</i>	<i>Other</i>	<i>Depreciation</i>	<i>Total</i>
	£000	£000	£000	£000
<b>Raising and managing funds:</b>				
Non-ancillary trading	240	378	-	618
Financing costs under Advance Fee				
Contracts	-	98	-	98
Bank interest and other finance costs	-	21	-	21
Bad Debt Charge	-	21	-	21
Fundraising for voluntary sources	103	84	-	187
	<u>343</u>	<u>602</u>	<u>-</u>	<u>945</u>
<b>Total cost of generating and managing funds</b>				
Charitable activities:				
Teaching costs	12,960	1,288	-	14,248
Grants from restricted funds	-	141	-	141
Welfare costs	2,233	1,166	-	3,399
Premises costs	1,061	2,061	1,870	4,992
Support costs	1,700	2,918	-	4,618
Governance costs	-	25	-	25
	<u>18,297</u>	<u>8,201</u>	<u>1,870</u>	<u>28,368</u>
<b>Total cost of charitable activities</b>				

**2018**

	£000	£000	£000	£000
<b>Raising and managing funds:</b>				
Non-ancillary trading	231	334	-	565
Financing costs under Advance fee				
Contracts	-	53	-	53
Bank interest and other finance costs	-	21	-	21
Bad debt charge	-	70	-	70
Fundraising for voluntary sources	101	49	-	150
	<u>332</u>	<u>527</u>	<u>-</u>	<u>859</u>
<b>Total cost of generating and managing funds</b>				
Charitable activities:				
Teaching costs	12,504	1,342	-	13,846
Grants from restricted funds	-	123	-	123
Welfare costs	2,079	1,141	-	3,220
Premises costs	973	1,991	1,507	4,471
Support costs	1,582	3,527	-	5,109
Governance costs	-	28	-	28
	<u>17,138</u>	<u>8,152</u>	<u>1,507</u>	<u>26,797</u>
<b>Total cost of charitable activities</b>				

Support costs include the cost of trips and other extra-curricular activities to the extent that parental contributions have been received to cover such cost. The parental contributions are included within Ancillary Trading in note 3.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. TAXATION**

The School and Elizabethan Trust have charitable status and are thus exempt from corporation tax. There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiary, Oakham School Enterprises Limited.

**10. TANGIBLE FIXED ASSETS – GROUP AND CHARITY**

	Freehold land and buildings £000	Improvements and extensions to buildings £000	Motor Vehicles £000	Fittings and Equipment £000	Total £000
Cost (or frozen* valuation)					
1 September 2018	35,404	8,253	392	5,059	49,108
Additions	-	254	21	455	730
Disposals	(231)	(1,067)	-	(361)	(1,659)
<b>31 August 2019</b>	<b>35,173</b>	<b>7,440</b>	<b>413</b>	<b>5,153</b>	<b>48,179</b>
Depreciation					
1 September 2018	10,916	3,599	274	2,831	17,620
Charge for year	774	718	41	337	1,870
Disposals	(231)	(1,067)	-	(361)	(1,659)
<b>31 August 2019</b>	<b>11,459</b>	<b>3,250</b>	<b>315</b>	<b>2,807</b>	<b>17,832</b>
<b>Net book values</b>					
<b>31 August 2019</b>	<b>23,714</b>	<b>4,190</b>	<b>98</b>	<b>2,346</b>	<b>30,348</b>
<i>31 August 2018</i>	<i>24,488</i>	<i>4,654</i>	<i>118</i>	<i>2,228</i>	<i>31,488</i>

\*The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying value on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost.

The value of freehold land included in freehold land and buildings as at 31<sup>st</sup> August 2019 was £608,000 (2018: £608,000). No depreciation is charged on this land asset. Included within freehold land and buildings is overdraft interest which arose in previous years when borrowings were used to finance the building programme. The total interest capitalised is £130,000 (2018: £130,000).

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**11. INVESTMENTS – GROUP AND CHARITY**

	2019 £	2018 £
Market value as at 1 September 2018	5,132	5,042
Acquisitions at cost	546	456
Disposals at carrying costs	(692)	(590)
Unrealised gain on revaluation	110	224
Market value as at 31 August 2019	<u>5,096</u>	<u>5,132</u>
Historical cost as at 31 August 2019	<u>4,149</u>	<u>4,182</u>

All investments are held in common investment funds which are managed by regulated UK based fund managers.

The charity had an investment in its trading subsidiary of £2 as at 31 August 2019 (31 August 2018: £2).

**12. STOCK**

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
School Shop	161	176	-	-
School - Catering	15	20	15	20
School - Sundry	5	16	5	16
	<u>181</u>	<u>212</u>	<u>20</u>	<u>36</u>

**13. DEBTORS**

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Fees	378	510	378	510
Trade Debtors	74	14	-	-
Loan to subsidiary undertaking	-	-	206	206
Gift Aid payment due from subsidiary undertaking	-	-	-	-
Sundry debtors	39	47	171	288
Prepayments	169	163	168	163
	<u>660</u>	<u>734</u>	<u>923</u>	<u>1,167</u>

Interest is chargeable at 2.5% per annum above the base rate as varied from time to time of Barclays Bank PLC on the loan to the subsidiary.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. CREDITORS: DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fees received before the year end	3,395	4,131	3,395	4,131
Trade Creditors	902	850	884	836
Taxes and Social Security	405	385	364	352
Defined Benefit Pension Scheme Liability	49	-	49	-
Other creditors	624	774	608	795
	<b>5,375</b>	<b>6,140</b>	<b>5,300</b>	<b>6,114</b>
Advance Fees Scheme (see note 15 below)	2,946	2,410	2,946	2,410
Deposits (see note 16 below)	377	402	377	402
	<b>8,698</b>	<b>8,952</b>	<b>8,623</b>	<b>8,926</b>

Fees received before the year end relate to amounts paid prior to the commencement of the following Winter Term. These amounts are in addition to the contractual amounts paid under the Advance Fees Scheme set out under note 15.

**15. ADVANCE FEES SCHEME – GROUP AND CHARITY**

Parents may enter into a contract to pay fees to the School to cover future periods. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
After 5 years	357	43
Within 2 to 5 years	1,514	1,624
Within 1 to 2 years	1,285	1,208
	<b>3,156</b>	<b>2,875</b>
Within 1 year	2,946	2,410
	<b>6,102</b>	<b>5,285</b>

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**15. ADVANCE FEES SCHEME – GROUP AND CHARITY (CONTINUED)**

The balance represents the accrued liability under the contracts. The movements during the year were:

	£000	£000
Balance at 1 September 2018	5,285	
New contracts	3,494	
Amounts accrued to contract as debt-financing costs	<u>98</u>	
		8,877
Amounts utilised in payment of fees to the School		<u>(2,775)</u>
Balance at 31 August 2019		<u>6,102</u>

**16. DEPOSITS – GROUP AND CHARITY**

Deposits represent money held against future costs incurred by the school on behalf of pupils. These are returned when pupils leave.

	2019 £000	2018 £000
After 5 years	233	291
Within 2 to 5 years	693	604
Within 1 to 2 years	<u>317</u>	<u>335</u>
	1,243	1,230
Within 1 year	<u>377</u>	<u>389</u>
	<u>1,620</u>	<u>1,619</u>

**17. FINANCIAL INSTRUMENTS**

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Financial assets measured at fair value (a)	<u>5,096</u>	<u>5,132</u>	-	-
Financial assets measured at amortised cost (b)	<u>4,509</u>	<u>4,265</u>	<u>4,472</u>	<u>4,362</u>
Financial liabilities measured at amortised cost (c)	<u>12,643</u>	<u>12,717</u>	<u>12,606</u>	<u>12,723</u>

(a) Includes investment assets.

(b) Includes cash and debtors excluding prepayments.

(c) Includes trade and other creditors & acceptance deposits and fees in advance.

(d) Impairment losses of £21,000 were charged to financial assets measured at amortised cost in the year (2018: £70,000).

**OAKHAM SCHOOL**  
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**18. ALLOCATION OF THE NET ASSETS**

The net assets are held for the various funds and advance fees as follows:

	Fixed Assets £000	Net Current Assets/ (Liabilities) £000	Long Term Liabilities £000	Balance 31 August 2019 £000
<b>Charity</b>				
Restricted funds (note 19b)	-	645	-	645
Unrestricted funds (note 19c)	30,348	(4,605)	(4,920)	20,767
Total charity funds	30,348	(3,960)	(4,920)	21,412
<b>Consolidated</b>				
Endowment funds (note 19a)	1,836	-	-	1,836
Restricted funds (note 19b)	413	14	-	427
Unrestricted funds (note 19c)	2,847	104	-	2,951
Trading subsidiary reserves	-	3	-	3
Total group funds	35,444	(3,839)	(4,920)	26,685

	Fixed Assets £000	Net Current Assets/ (Liabilities) £000	Long Term Liabilities £000	Balance 31 August 2018 £000
<b>Charity</b>				
Restricted funds	-	521	-	521
Unrestricted funds	31,488	(4,886)	(4,152)	22,450
Total charity funds	31,488	(4,365)	(4,152)	22,971
<b>Consolidated</b>				
Endowment funds	1,715	-	-	1,715
Restricted funds	384	9	-	393
Unrestricted funds	3,033	70	-	3,103
Trading Subsidiary Reserves	-	(26)	-	(26)
Total group funds	36,620	(4,312)	(4,152)	28,156



**OAKHAM SCHOOL**  
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**18a. ENDOWMENT FUNDS**

	<i>Balance 1 September 2018</i>	<i>Movement in resources</i>			<i>Balance 31 August 2019</i>
		<i>Income</i>	<i>Expenditure</i>	<i>Investment Gains</i>	
	£000	£000	£000	£000	£000
<b>Consolidated</b>					
Odell Bequest Fund	9	-	-	1	10
Anderson Prize	10	-	-	-	10
Duesbury-Bowes Fund	21	-	-	1	22
Lt. Col John Wilson Scholarship Fund	383	-	-	26	409
Dewar Memorial Fund	26	-	-	2	28
BAF Smith Sports Scholarship Fund	171	-	-	(3)	168
Anna Haefeli Scholarship Fund	194	-	-	13	207
Endowment Fund	541	-	-	56	597
Mehra Scholarship	203	-	-	14	217
Scholarship Funds	139	-	-	10	149
Prize Funds	18	-	-	1	19
	<u>1,715</u>	<u>-</u>	<u>-</u>	<u>121</u>	<u>1,836</u>

	<i>Balance 1 September 2017</i>	<i>Movement in resources</i>			<i>Balance 31 August 2018</i>
		<i>Income</i>	<i>Expenditure</i>	<i>Investment Gains</i>	
	£000	£000	£000	£000	£000
<b>Consolidated</b>					
Odell Bequest Fund	8	-	-	1	9
Anderson Prize	9	-	-	1	10
Duesbury-Bowes Fund	20	-	-	1	21
Lt. Col John Wilson Scholarship Fund	359	-	-	24	383
Dewar Memorial Fund	25	-	-	1	26
BAF Smith Sports Scholarship Fund	167	-	-	4	171
Anna Haefeli Scholarship Fund	181	-	-	13	194
Endowment Fund	489	-	-	52	541
Mehra Scholarship	190	-	-	13	203
Scholarship Funds	131	-	-	8	139
Prize Funds	17	-	-	1	18
	<u>1,596</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>1,715</u>

Endowed funds are defined as those that are to be treated as capital and may not be spent as income. The donors of the above funds have stipulated that the investment income arising may only be used for the purpose of funding scholarships and prizes for Oakham School.

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The Lt. Col. John Wilson Scholarship Fund represents a legacy from a former pupil of Oakham School. The income from the investment is to be applied specifically to assist boys who would otherwise have been forced to leave Oakham School through lack of funds.

The Anna Haefeli Scholarship Fund provides funding for an Arts Scholar to join Oakham School for the duration of the sixth form.

The Mehra Scholarship provides funding for a pupil with outstanding talent moving into the Sixth Form.

**18b. RESTRICTED FUNDS**

	Balance 1 September 2018 £000	Income £000	Expenditure £000	Investment Gains £000	Transfers £000	Balance 31 August 2019 £000
<b>Charlty</b>						
Oakham School Foundation Fund	484	253	(129)	-	-	608
Other Donations	27	-	-	-	-	27
Scholarship Fund	10	-	-	-	-	10
	<u>521</u>	<u>253</u>	<u>(129)</u>	<u>-</u>	<u>-</u>	<u>645</u>
<b>Consolidated</b>						
Odell Bequest Fund	6	-	-	-	-	6
Anderson Prize	5	-	-	-	-	5
Duesbury-Bowes Fund	6	1	-	-	-	7
Lt. Col John Wilson Scholarship Fund	159	14	(12)	-	-	161
Dewar Memorial Fund	9	-	-	-	-	9
BAF Smith Sports Scholarship Fund	2	-	-	-	-	2
Anna Haefeli Scholarship Fund	6	6	-	-	-	12
Endowment Fund	1	-	-	-	-	1
Mehra Scholarship	25	6	-	-	-	31
Scholarship Funds	172	9	-	-	9	190
Prize Funds	2	1	-	-	-	3
	<u>914</u>	<u>290</u>	<u>(141)</u>	<u>-</u>	<u>9</u>	<u>1,072</u>

**OAKHAM SCHOOL**  
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	<i>Balance 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Investment Gains £000</i>	<i>Transfers £000</i>	<i>Balance 31 August 2018 £000</i>
<b>Charity</b>						
Oakham School Foundation Fund	279	318	(113)	-	-	484
Other Donations	27	-	-	-	-	27
Scholarship Fund	10	-	-	-	-	10
	<u>316</u>	<u>318</u>	<u>(113)</u>	<u>-</u>	<u>-</u>	<u>521</u>
<b>Consolidated</b>						
Odell Bequest Fund	6	-	-	-	-	6
Anderson Prize	5	-	-	-	-	5
Duesbury-Bowes Fund	6	-	-	-	-	6
Lt. Col John Wilson Scholarship Fund	157	12	(10)	-	-	159
Dewar Memorial Fund	8	1	-	-	-	9
BAF Smith Sports Scholarship Fund	2	-	-	-	-	2
Anna Haefeli Scholarship Fund	-	6	-	-	-	6
Endowment Fund	1	-	-	-	-	1
Mehra Scholarship	18	7	-	-	-	25
Scholarship Funds	154	9	-	9	-	172
Prize Funds	1	1	-	-	-	2
	<u>674</u>	<u>354</u>	<u>(123)</u>	<u>9</u>	<u>-</u>	<u>914</u>

The Oakham School Foundation Fund represents donations received less fund raising costs attributable to The Oakham School Foundation. The principal aim of the Foundation is to raise funds to support the ongoing development of the School, and the objects of the Foundation Trustees are limited to achieving these aims

The Restricted Funds arising on consolidation represent income earned on Endowed Funds.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18c. UNRESTRICTED FUNDS**

	<i>Balance 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Investment Gains</i>	<i>Transfers</i>	<i>Balance 31 August 2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Parent Charity</b>						
General fund	-	26,191	(27,874)	-	1,683	-
Fixed asset fund	<u>22,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,683)</u>	<u>20,767</u>
Total charity funds	22,450	26,191	(27,874)	-	-	20,767
 <b>Consolidated</b>						
Trading subsidiary reserves	(26)	805	(723)	-	-	56
Mandy Barnett Memorial Fund	179	5	(11)	(3)	-	170
Foseco Award	108	3	-	(2)	-	109
Rutland Scholarship	470	12	(57)	(9)	-	146
Humphrey Wanstall Bequest Fund	440	11	(1)	(8)	-	442
Quatercentenary Scholarship Fund	1,486	37	(131)	(27)	-	1,365
Foreman Scholarship	127	3	-	(2)	-	128
Discretionary Fund	293	-	-	31	-	324
	<u>25,527</u>	<u>27,067</u>	<u>(28,797)</u>	<u>(20)</u>	<u>-</u>	<u>23,777</u>

**OAKHAM SCHOOL**  
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	<i>Balance 1 September 2017</i>	Income	Expenditure	Investment Gains	Transfers	<b>Balance 31 August 2018</b>
	£000	£000	£000	£000	£000	£000
<b>Parent Charity</b>						
General fund	-	26,345	(26,610)	-	265	-
Fixed asset fund	<u>22,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(265)</u>	<u>22,450</u>
Total charity funds	22,715	26,345	(26,610)	-	-	22,450
<b>Consolidated</b>						
Trading subsidiary reserves	18	667	(711)	-	-	(26)
Mandy Barnett Memorial Fund	181	4	(10)	4	-	179
Fosco Award	103	3	-	2	-	108
Rutland Scholarship	506	12	(60)	12	-	470
Humphrey Wanstall Bequest Fund	421	10	(1)	10	-	440
Quatercentenary Scholarship Fund	1,544	36	(131)	36	-	1,486
Foreman Scholarship	121	3	-	3	-	127
Discretionary Fund	266	-	-	28	-	293
	<u>25,875</u>	<u>27,080</u>	<u>(27,523)</u>	<u>95</u>	<u>-</u>	<u>25,527</u>

**19. CAPITAL COMMITMENTS**

Capital expenditure authorised and contracted for at the balance sheet date amounted to £7,600 (2018: £nil) for building projects and £nil (2018: £nil) in respect of equipment.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. PENSION SCHEMES**

**Defined benefit schemes**

Teachers' 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 £1,442,420 (2018: £1,394,549) and at the year-end £123,929 (2018: £111,705) was accrued in respect of contributions to the 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 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2016 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Independent Schools' Pension Scheme

From March 2012 until the end of January 2018, the School participated in The Independent Schools' Pension Scheme ('the Scheme'), which is a funded multi-employer defined benefit scheme for members of Support Staff. The Scheme provides a pension of one-eightieth of the member's career average revalued earnings for each year (and months proportionately) of pensionable service, and is thus a Defined Benefit Scheme. The Scheme is contracted-out of the State Scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to Individual participating employers. This is because the Scheme is a multi-employer scheme, where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly, the annual accounting charge represents the employer contributions payable. Contributions of £0 were paid in 2019, (In the five months to January 2018 £158,770 were paid based on a long-term contribution rate of 14.1%.

The company participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

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	£2,387,357 per annum
From 1 September 2019 to 30 April 2030:	(payable monthly and increasing by 3% on each 1 <sup>st</sup> September)

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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

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	£2,341,000 per annum
From 1 September 2016 to 31 August 2029:	(payable monthly and increasing by 3% on each 1 <sup>st</sup> September)

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**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

**PRESENT VALUES OF PROVISION**

	31 August 2019 (£s)	31 August 2018 (£s)
<b>Present value of provision</b>	570,240	-

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31 August 2019 (£s)	Period Ending 31 August 2018 (£s)
Provision at start of period	-	-
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	570,240	-

**INCOME AND EXPENDITURE IMPACT**

	Period Ending 31 August 2019 (£s)	Period Ending 31 August 2018 (£s)
Interest expense	-	-
Remeasurements – Impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

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



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**ASSUMPTIONS**

	31 August 2019 % per annum	31 August 2018 % per annum
Rate of discount	1.10	-

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.

**FRS 102 – SECTION 28 ADDITIONAL INFORMATION**  
**FOR THE PERIOD ENDING 31 August 2019**

SCHEME: TPT Retirement Solutions - Independent Schools' Pension Scheme

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 2019 (£s)	31 August 2018 (£s)
Year 1	49,306	-
Year 2	50,785	-
Year 3	52,308	-
Year 4	53,878	-
Year 5	55,494	-
Year 6	57,159	-
Year 7	58,873	-
Year 8	60,640	-
Year 9	62,459	-
Year 10	64,333	-
Year 11	44,175	-
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.

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

**OAKHAM SCHOOL**  
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**Defined contribution scheme**

The School offers the Independent Schools' Pension Scheme to members of Support Staff. The provision is based on double-matching of an employee's contribution up to a maximum of 10% of gross salary. The cost for the year represents the School's contributions to the scheme of £396,284 (2018: £379,688).

**21. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE**

Year ended 31 August 2018	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds £'000
<b>Income and endowments from:</b>				
<b>Charitable activities</b>				
School fees receivable	23,552	-	-	23,552
Ancillary trading income	2,628	-	-	2,628
<b>Other Trading Activities</b>				
Non-ancillary trading income	739	-	-	739
<b>Investments</b>				
Investment income	68	36	-	104
Bank and other interest	3	-	-	3
<b>Voluntary Sources</b>				
Donations and legacies	-	318	-	318
<b>Other Income</b>				
Profit on sale of assets	100	-	-	100
<b>TOTAL INCOME</b>	<u>27,018</u>	<u>354</u>	<u>-</u>	<u>27,372</u>
<b>Expenditure on</b>				
<b>Costs of generating funds</b>				
Non-ancillary trading	565	-	-	565
Financing costs	144	-	-	144
Fundraising & development	150	-	-	150
	<u>859</u>	<u>-</u>	<u>-</u>	<u>859</u>
<b>Charitable activities</b>				
Schools and grant making	<u>26,674</u>	<u>123</u>	<u>-</u>	<u>26,797</u>
<b>Total expenditure</b>	<u>27,533</u>	<u>123</u>	<u>-</u>	<u>27,656</u>
<b>Net Income from operations before transfers and investment gains carried forward</b>	<u>(443)</u>	<u>231</u>	<u>-</u>	<u>(212)</u>

**OAKHAM SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**21. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE – CONTINUED**

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds £000
Net income from operations before transfers and investment gains brought forward	(443)	231	-	(212)
Transfer	-	-	-	-
Unrealised gains on Investment assets	95	9	119	223
<b>NET MOVEMENT IN FUNDS</b>	<b>(348)</b>	<b>240</b>	<b>119</b>	<b>11</b>

**22. CONTROL**

In the opinion of the Trustees the School has no controlling party.

