

**MANCHESTER HIGH SCHOOL FOR GIRLS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2019**



**HALLIDAYS**  
**Riverside House**  
**Kings Reach Business Park**  
**Yew Street**  
**Stockport**  
**SK4 2HD**

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Financial Statements

For the year ended 31st July 2019

### Leadership Team

Head Mistress: Mrs A C Hewitt

Director of Finance  
& Estates (Bursar): Mr J Moran

Registered Address: Grangethorpe Road  
Manchester  
M14 6HS

Charity Registration Number: 1164323 Incorporated entity

Company Number: 09665070

Auditors: Hallidays Group Ltd  
Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

Solicitors: Addleshaw Goddard LLP  
One St Peter's Square  
Manchester  
M2 3DE

Eversheds Sutherland LLP  
70 Great Bridgewater St  
Manchester  
M1 5ES

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

Bankers: Santander UK Plc  
Bootle  
Merseyside  
L30 4GB

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Report of the Governors

The Governors present their report together with the financial statements for the year ended 31st July 2019.

### Reference and Administration

#### **Governors**

The Governors of the school, who served during the year were:-

Elizabeth Spence (Chair)  
Merlyn Lowther (Hon Treasurer)  
Alan Clarke (Resigned 03/12/2018)  
Stephanie Klass  
Susan Beales  
Dr Amar Ahmed  
Andrew Bland (Hulme Trust Estates Nominated 16/09/2019)  
Professor Lady Rachel Davies Cooper OBE  
Laura Earnshaw  
Marie Grant  
Vicky Kloss  
Prof Robert Munn (Nominated Governor) (Resigned 05/07/19)  
Christopher Saunders OBE  
Kui Shum.Yeung MBE (Resigned 30/09/19)  
Kate MacLean (or Dickson) (Appointed 03/12/18)  
Giles Burton (Appointed 27/03/2019)  
Joy Kingsley (Appointed 24/06/2019)  
Prof Fiona Smyth (Appointed 24/06/2019) (University of Manchester Nominated)

### Key Management Personnel

The key management personnel who served during the year were:-

|                |  |  |
|----------------|--|--|
| Mrs A C Hewitt | Head Mistress                          | (Appointed 01/01/09)                     |
| Mrs A Goddard  | Deputy Head Mistress                   | (Appointed 01/09/16)                     |
| Mrs J Hodson   | Deputy Head Mistress                   | (Appointed 01/09/16)                     |
| Dr M Leach     | Assistant Head                         | (Appointed 01/09/17)                     |
| Mrs S Norton   | Assistant Head                         | (Appointed 01/01/15)                     |
| Mrs H Mortimer | Head of Preparatory Department         | (Appointed 01/01/18)                     |
| Mr J P Moran   | Director of Finance & Estates (Bursar) | (Appointed 01/07/05)                     |
| Mrs P Ashcroft | Development & Marketing Director       | (Appointed 15/12/14)                     |
| Mrs C Stevens  | Development & Marketing Director       | (Maternity cover 14/05/18 to 22/03/2019) |

# **MANCHESTER HIGH SCHOOL FOR GIRLS**

## **Report of the Governors cont....**

### **Status and Administration of the School**

The School, which was founded in 1874, is a company limited by guarantee and a registered charity. It is governed by Articles of Association dated 1<sup>st</sup> July 2015 and amendments made by special resolution dated 6<sup>th</sup> October 2015.

### **Connected Charities**

The Manchester High School for Girls General Charitable Trust is closely connected to the School. The material transactions between the School and the Trust are detailed in note 17 in the financial statements. The Trust's charity registration number is 506823 and its registered address is at the School's premises detailed on page 1.

There are also a number of small linked charities which are Prize Funds donated to the School over the course of its history. These Prize Funds are included as restricted funds within the financial statements of the School.

### **Appointment and training of Governors**

All members of the Governing Body are recruited by invitation, dependent upon their expertise, experience and skills. Nominated Governors are as follows:

- (i) One by the Trustees of the Charity called Hulme Trust Estates (Educational) at Manchester and elsewhere and;
- (ii) One by the Board of Governors of the University of Manchester

New Governors are inducted into the workings of the Charity, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

### **Risk Management**

During the year the Governors have examined the principal areas of the School's operations and considered the major risks in each of these areas. In the opinion of the Governors the School has established systems, which under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations. A Risk Matrix is maintained and reviewed on an annual basis. A Policies and Procedures Register is updated on an ongoing basis as amendments are approved by the appropriate committee and is reviewed in its entirety by the Governors on an annual basis.

The Governors continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time and monitor the effectiveness of the internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified by the Governors can be best mitigated.

The key controls used by the charity include;

- Formal agendas for all Committee activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by law for the protection of the vulnerable, and
- Reporting systems.



# MANCHESTER HIGH SCHOOL FOR GIRLS

## Report of the Governors cont....

### Organisational structure and decision making

The officers of the School together with other administrative information are listed on page 1 to the financial statements.

The day to day management of the School is delegated to the Head Mistress and Senior Leadership Team. The Governors determine the strategic direction and general policy of the School. They achieve this through discussions at Board meetings and sitting on one or more of the main committees; Academic Development, Finance, Estates and Personnel. Each of these committees meets three times a year to monitor the activities of the school. Board meetings of the Governors normally take place three times a year, covering operational, tactical and strategic issues.

### Objectives and Activities

#### Charitable Objects & Significant Activities

The objects of the charity are:

The advancement of education for the public benefit by:

- (a) the provision and conduct of a day and/or day and boarding school or schools in or near Manchester or elsewhere primarily but not exclusively for girls.
- (b) The provision of, scholarships, allowances or any other form of financial assistance at such times and in such manner as the Governors shall determine
- (c) The provision and support of ancillary or incidental educational activities and any other associated activities for the benefit of the community as a whole in Manchester or elsewhere and
- (d) The provision and support of other educational institutions and activities in Manchester or elsewhere

The primary activity of the charity is offering education appropriate to the needs of talented girls aged from 4 to 18, through the provision in Manchester of a day school for girls.

The Governors aim to create a supportive and caring environment where each girl is known and is educated as an individual. We seek to produce academically well-educated young women, with highly developed interpersonal skills and a broad range of interests, who can compete at any level with the brightest and the best, both nationally and internationally.

#### School Policy

The School is academically selective and, as such, sets its own entrance examination. Applicants for entry into Year 7 are examined in Mathematics, Essay Writing, Comprehension, Verbal Reasoning and Non-Verbal Reasoning. Applicants who do well enough in the initial written examination are invited to attend an interview. Not all those interviewed, however, are offered a place. At the interview stage we look for potential, a wide range of interests and a match between the ability of the child and her performance in the entrance examination. A school report is requested from the Head Teacher of the applicant's present school. The Head Teacher's recommendation and comments are an important part of the selection process.

It is the policy of the School to enable pupils to attain the highest academic levels whilst pursuing a curriculum which is broad and balanced, with wide-ranging extra-curricular opportunities. A highly qualified staff and excellent facilities particularly for music, science, computing, language teaching and physical education combine to provide a stimulating educational environment. Pastoral care and encouragement to individual development in creative, leadership and teamwork skills are also important objectives.

Pupils and staff are encouraged to contribute to the local community by the establishment and development of links at various levels with state maintained schools in the surrounding area.

#### Objectives for the year

The aim this year has been to attain excellent results in the GCSE and A Level examinations. The other objectives have been the further development of the school's facilities, building up adequate financial reserves to fund the building programme, and to sustain and ideally raise the level of bursary support to pupils on a means tested basis.

# **MANCHESTER HIGH SCHOOL FOR GIRLS**

## **Report of the Governors cont....**

### **Strategies to achieve the year's objectives**

To enable the School to achieve its objectives, we have recruited and retained excellent staff and enhanced their professional development, extended the school's marketing activities in order to increase our market share, generated sufficient surpluses to progress the development strategy, and continued to develop and use prior achievement and other data to analyse and improve student performance.

### **Grant-Making Policy**

This year the School transferred £284,257 (2017-18 - £274,337) to The Manchester High School for Girls General Charitable Trust to assist in the provision of grants to pupils. The connected charity awarded bursary grants as detailed in note 2.

### **Public Benefit**

The School's Summary of Public Benefit Activities, undertaken with due regard to The Charity Commission's guidance on public benefit, is reviewed by the Governors on an annual basis and includes the following:

### **Means tested Bursaries**

The School has a long tradition of social inclusion, in that, for example under assisted places over a third of the school places were assisted places. Since that time one of the school's main aims has been to maintain a substantial level of means tested bursary awards. It has achieved that aim with the aid of fundraising via The Manchester High School for Girls General Charitable Trust, a connected charity. The School has each year funded bursaries into both Year 7 and the Junior Sixth. The number of pupils receiving financial assistance from means tested bursaries, in line with the grant-making policy, is 78 pupils in total. In 2018/19 the annual financial commitment to means tested bursaries amounted to £748,958 being 9.11% of the total tuition fees for the school. Of this amount £32,834 was gratefully received from other Educational Trusts, whilst the majority, amounting to £716,124 was provided by the school and its own charitable trust. This commitment is considered extremely important to the School in order to maintain its culture as a "high ability" socially inclusive school.

Fundraising in School takes many forms; including activities by the pupils, staff and the Parent Teacher Association (PTA). The Development Team is at the heart of fundraising to support the School's bursary appeal. Whilst the School from time to time may look to raise money to support the annual expenditure and capital projects, the vast majority of fundraising efforts are focused towards the provision of bursary places. This directly supports the School's objectives to, "...enrol girls with true potential, regardless of their means to pay; striving to be academically, but not financially selective."

### **Collaborative Activities and Community Links**

The School has many long standing relationships with the local community, including clubs, associations, other independent schools and state maintained schools. Below is a brief summary of these activities:

The activities include the following:

- access to lessons and other educational facilities
- collaborative working with state schools
- sharing expertise
- hosting events
- interactive teaching materials
- use of facilities by other state schools and groups for young people

The following are examples of activities for the community:

- The St James Partnership gives Year 5 pupils from a local state school the opportunity to visit MHSG for a series of early evening session across the curriculum including sport, music and science.
- The Physics Partners Scheme involves working with 5 local state schools to develop the skills and expertise of non-physics specialists to teach physics to GCSE level
- The 'Insight into careers talks' delivered by MHSG alumnae and parents are offered to students from a wider range of schools and colleges



## **MANCHESTER HIGH SCHOOL FOR GIRLS**

### **Report of the Governors cont....**

#### **Sharing expertise**

Our Preparatory Department and Senior School staff continue to give generously of their time, making use of their expertise to support activities in education and beyond. This includes acting as school governors, providing advice and sharing expertise.

The following are examples of the ways in which MHSg staff share their expertise:

- The Head of the Music department is the director of the Manchester Philharmonic Choir and coaches Stockport Youth Orchestra. This staff member also plays French horn and organ in a number of other Manchester based musical societies.
- A member of the Maths department is a Trustee of the UK Maths Trust and aids organisation of UKMT events.

Often these supportive contacts lead to other collaborations such as joint projects, cross-school observations, sharing best practice or further mentoring.

#### **GCSE and GCE Examiners**

MHSg has always had a commitment to ensuring and promoting academic excellence and is fortunate in having an experienced and academically highly qualified staff. The School actively supports members of staff who wish to use their expertise in the setting and marking for public examinations.

#### **Charity Fundraising**

Our Preparatory Department and Senior School raise substantial funds for charities such as the Tien Foundation in Cambodia, The Winnie Mbaso Foundation and Mind.

#### **PGCE with Manchester University Department of Education**

MHSg continues to be a training school for Manchester University Education Department.

#### **The School Archive**

MHSg has a substantial archive dating back to the School's foundation in 1874 relating to the development of academic education for girls. It is one of the most complete archives in the country, documenting the introduction of an academic education for girls. It is of national and international importance and is consulted by academics from around the world. The Manchester High School archive continues to make a valuable contribution to academic research, to old girls and former members of staff and their families, to the school itself and to the wider community of school archivists.

#### **Use of facilities by other state schools and groups for young people**

MHSg has extensive facilities and hires them out to a variety of groups on a commercial basis at a market rate in order to generate surpluses which can be reinvested in the Bursary Fund.

MHSg also makes premises available to local schools, youth groups and teaching associations at below market rates or free of charge.

#### **Achievements and Performance**

##### **Review of Activities and Achievements**

The public examination results at GCSE and Advanced Level continued to reflect the high level of achievement expected from the pupils.

At GCSE half of all the grades achieved were grade 8 or 9 (grade 8 has replaced the A\* grade and grade 9 indicates achievement beyond A\*). 72% of the grades were in the range 7 – 9.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Report of the Governors cont....

At A-level an impressive 71% of all A-levels achieved at MHSG were the coveted A\* and A grades, with 91% of all grades secured in the A\* to B range.

In the year, Manchester High School for Girls pupil numbers were 692 (2017/18: 674) in the Senior School and 247 (2016/17: 253) in the Preparatory Department.

### Impact of Fundraising & Marketing on results

Fundraising and Marketing both involve the promotion of the School with the aim of ensuring that funding from donations and sponsorship are maximised as well as ensuring that sufficient suitably talented girls are enrolled. A proportion of funds raised for means tested bursaries are included within the accounts of the Manchester High School for Girls Charitable Trust.

### Developments

The School's facilities have been further developed and refurbished in line with the objectives within the School's development strategy. The major works this year have been in relation to ICT capital expenditure in accordance with the MHSG ICT Development Strategy and the further development of the School's Buildings Efficiency Programme mainly via the Window Replacement Programme. There has also been a continued programme of routine maintenance and internal decoration. School Council, as always, has played a very important role in highlighting the student priorities for the programme.

### Financial Review

#### Financial Activities and Results

The net movement in funds for the year amounted to incoming resources of £224,614 (2017/18: £117,618) of incoming resources). This was largely in line with the budgeted expectations.

The School is helped by the support of the connected charity, The Manchester High School for Girls General Charitable Trust, which provided £378,192 (2017/18: £374,458) in bursaries during the year.

The School continues to hire out its facilities during vacations and after-school hours, and this has contributed £53,004 to the School's income.

The School's principal funding source is from school fees, which amounted to £10,641,129 this year (2017/18: £9,641,129)

The expenditure which supported the key objectives of the School regarding the quality of staff, marketing the school, and development of school's facilities is detailed on page 17, note 4.

#### Accounting and Reporting Responsibilities

The Charities Act 2011 requires the Governors as the trustees of the School to prepare financial statements for each financial year which give a true and fair view of the School's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the school will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the school at any time, and to enable them as trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the school's assets, and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# MANCHESTER HIGH SCHOOL FOR GIRLS

## Report of the Governors cont....

### Reserves

Notes 14 to 16 of the financial statements shows the assets and liabilities attributable to the various funds by type, and also describe the various restricted funds of the school and summarise the year's movements on each fund.

Unrestricted funds amounted to £2,561,464 but none of this is freely available because the balance is invested or is designated for other purposes (see notes 14 and 16). The Governors have determined that the appropriate level of free reserves which are not invested in tangible fixed assets should be equivalent to 10% of tuition fee income, being approximately £1,000,000. Our policy is, therefore, to continue building up reserves to that level by means of annual operating surpluses and judicious management of our investment assets, supplemented by general-purpose appeals from time to time. Tangible fixed assets are all held for use by the school. Freehold land and buildings at 31<sup>st</sup> July 2000 have been included at a valuation undertaken on an existing use basis on that date. The Governors are not aware of any material change in value since then.

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

The Articles of Association place no restrictions on the Governors' powers of investment.

The School's Prize Funds are invested in COIF Charity Funds. They are promoted as responsible funds that consider the economic, social and environmental impacts of the companies in which the funds invest. Specifically, they avoid direct investment in armaments, gambling and tobacco.

### **Plans for the future**

The overall performance this year has been very pleasing and as a consequence will directly reinforce the School's medium- to long-term strategy. Maintaining and improving the School's performance at its current level helps ensure that it is able to fulfil its commitment to bursaries at or around the existing level.

The charity's main objectives for the next year are:

- To ensure the achievement of excellent results in GCSE & A level examinations
- To maintain high levels of recruitment and retention of pupils
- To manage finances in such a way as to address significant challenges
- To at least sustain but ideally raise the level of bursary support to pupils on a means tested basis

### **Significant Developments during 2018/19**

These developments took place in 2018/19 but do not take effect until later.

- Mrs AC Hewitt advised of her decision to retire from her position as Head Mistress of the School at the end of the academic year 2019/20. Mrs Helen Jeys has been appointed as Head Mistress with effect from 1 September 2020.
- The large increase in employers' contribution to the Teachers' Pension Scheme with effect from 1 September 2019 has meant that the School is now exploring a range of options for teachers' pension provision.

Approved by the Board of Governors of Manchester High School for Girls on 3<sup>rd</sup> December 2019 and signed on its behalf by

Governors:



Mrs S.E. Spence  
(Chair)



Ms M Lowther  
(Hon Treasurer)

**MANCHESTER HIGH SCHOOL FOR GIRLS**  
**Statement of Financial Activities**  
**for the year ended 31st July 2019**

|   |                         |                                    |                       |                      | Total             |                   |
|---|-------------------------|------------------------------------|-----------------------|----------------------|-------------------|-------------------|
| Notes   | Unrestricted Funds<br>£ | Unrestricted Designated Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | 2019<br>£         | 2018<br>£         |
| <b>Income</b>   |                         |                                    |                       |                      |                   |                   |
| Donations and legacies  | 20,917                  | -                                  | -                     | -                    | 20,917            | 50,142            |
| Other trading activities  | 3 81,174                | -                                  | -                     | -                    | 81,174            | 75,573            |
| Investment income   | 1,145                   | -                                  | 7,668                 | -                    | 8,813             | 8,904             |
| Income from charitable activities                                       | 2 10,777,283            | 3,058                              | -                     | -                    | 10,780,341        | 10,296,406        |
| Other   | 20,569                  |                                    |                       |                      | 20,569            | 31,320            |
| <b>Total income</b>   | <b>10,901,088</b>       | <b>3,058</b>                       | <b>7,668</b>          | <b>-</b>             | <b>10,911,814</b> | <b>10,462,345</b> |
| <b>Expenditure on</b>   |                         |                                    |                       |                      |                   |                   |
| Cost of raising funds   | 6 75,937                | -                                  | -                     | -                    | 75,937            | 85,579            |
| Expenditure on charitable activities                                    | 4 10,391,934            | 749                                | 28,004                | 148,853              | 10,569,540        | 10,216,117        |
| Expenditure on other trading and activities                             | 5 62,831                | -                                  | -                     | -                    | 62,831            | 58,033            |
| <b>Total</b>  | <b>10,530,702</b>       | <b>749</b>                         | <b>28,004</b>         | <b>148,853</b>       | <b>10,708,308</b> | <b>10,359,729</b> |
| <b>Net income/ (expenditure) before gains and losses on investments</b> | <b>370,386</b>          | <b>2,309</b>                       | <b>(20,336)</b>       | <b>(148,853)</b>     | <b>203,506</b>    | <b>102,616</b>    |
| Net gains on investments  | -                       | -                                  | 7,307                 | 13,799               | 21,106            | 13,904            |
| <b>Net income/ (expenditure)</b>  | <b>370,386</b>          | <b>2,309</b>                       | <b>(13,029)</b>       | <b>(135,054)</b>     | <b>224,612</b>    | <b>116,520</b>    |
| <b>Other recognised gains/(losses)</b>                                  |                         |                                    |                       |                      |                   |                   |
| Actuarial gains on defined benefit pension schemes                      | 19 -                    | -                                  | -                     | -                    | -                 | 1,098             |
| <b>Net movements in funds</b>   | <b>370,386</b>          | <b>2,309</b>                       | <b>(13,029)</b>       | <b>(135,054)</b>     | <b>224,612</b>    | <b>117,618</b>    |
| <b>Reconciliation of funds</b>  |                         |                                    |                       |                      |                   |                   |
| Total funds brought forward   | 14, 15 & 16 2,121,451   | 67,318                             | 212,937               | 8,235,954            | 10,637,660        | 10,520,042        |
| <b>Total funds carried forward</b>                                      | <b>2,491,837</b>        | <b>69,627</b>                      | <b>199,908</b>        | <b>8,100,900</b>     | <b>10,862,272</b> | <b>10,637,660</b> |

All of the above activities are classified as *continuing*.  
The notes on pages 13 to 25 form part of these financial statement



# MANCHESTER HIGH SCHOOL FOR GIRLS

## Balance Sheet as at 31st July 2019

|   | Notes | 2019<br>£         | 2018<br>£         |
|---|-------|-------------------|-------------------|
| <b><u>Fixed Assets</u></b>                                  |       |                   |                   |
| Tangible fixed assets                                       | 1d, 8 | 10,873,675        | 11,371,760        |
| Investments at market value                                 | 9     | 245,740           | 224,634           |
| <b>Total fixed assets</b>                                   |       | <b>11,119,415</b> | <b>11,596,394</b> |
| <b><u>Current Assets</u></b>                                |       |                   |                   |
| Debtors   | 11    | 324,325           | 216,189           |
| Cash at bank and in hand                                    |       | 1,855,107         | 1,581,475         |
| <b>Total current assets</b>                                 |       | <b>2,179,432</b>  | <b>1,797,664</b>  |
| <b><u>Liabilities</u></b>                                   |       |                   |                   |
| Creditors: Amounts falling due within one year              | 12    | (1,082,305)       | (1,167,735)       |
| <b>Net current assets</b>                                   |       | <b>1,097,127</b>  | <b>629,929</b>    |
| <b>Total assets less current liabilities</b>                |       | <b>12,216,542</b> | <b>12,226,323</b> |
| <b><u>Creditors:</u></b> Amounts falling due after one year | 13    | (1,354,270)       | (1,511,862)       |
| Provisions for liabilities                                  | 19    | -                 | (76,801)          |
| <b><u>Net Assets</u></b>                                    |       | <b>10,862,272</b> | <b>10,637,660</b> |
| <b><u>The funds of the charity</u></b>                      |       |                   |                   |
| Unrestricted funds  |       | 2,491,837         | 2,121,451         |
| Unrestricted designated funds                               | 14    | 69,627            | 67,318            |
| Restricted funds  | 15    | 199,908           | 212,937           |
| Endowment funds   | 15    | 8,100,900         | 8,235,954         |
| <b><u>Total funds</u></b>                                   | 16    | <b>10,862,272</b> | <b>10,637,660</b> |

Approved on behalf of the Board of Governors on 3<sup>rd</sup> December 2019

Governors

*Morgan Lowther*

*LADY R COOPER*  
Mrs S. E. Spence

M Lowther

The notes on pages 13 to 25 form part of these financial statements.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Cashflow Statement

for the year ended 31st July 2019

|   | <u>Notes</u> | <u>2019</u><br>£ | <u>2018</u><br>£ |
|---|--------------|------------------|------------------|
| <b>Cash flows from operating activities:</b>                              |              |                  |                  |
| Net cash provided by operating activities                                 | a)           | 662,730          | 657,637          |
| <b>Cash flows from investing activities:</b>                              |              |                  |                  |
| Purchase of property, plant and equipment                                 |              | (203,584)        | (351,843)        |
| <b>Net cash provided by investing activities</b>                          |              | <u>459,146</u>   | <u>305,794</u>   |
| <b>Cash flows from financing activities:</b>                              |              |                  |                  |
| Dividends, interest and rents from investments                            |              | 8,813            | 8,094            |
| Repayments of borrowing   |              | (194,327)        | (188,398)        |
| <b>Net cash used in financing activities</b>                              |              | <u>(185,514)</u> | <u>(180,304)</u> |
| <b>Change in cash and cash equivalents in the reporting period</b>        |              | <b>273,632</b>   | <b>125,490</b>   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |              | <b>1,581,475</b> | <b>1,455,985</b> |
| <b>Cash and cash equivalents at the end of the reporting period</b>       | b)           | <b>1,855,107</b> | <b>1,581,475</b> |

### Notes on the Cashflow Statement

|  |                  |                         |
|--|------------------|-------------------------|
| <b>a) <u>Reconciliation of changes in resources to net cash inflow from operating activities</u></b> |                  | <b><u>2018</u></b><br>£ |
| Net income   | 224,612          | 116,520                 |
| Net gains from investments   | (21,106)         | (13,904)                |
| Depreciation   | 701,669          | 695,630                 |
| Dividends, interest and rents from investments   | (8,813)          | (8,094)                 |
| Increase in debtors  | (184,937)        | (6,506)                 |
| Decrease in creditors  | (48,695)         | (126,009)               |
| Net cash inflow from operating activities  | <u>662,730</u>   | <u>657,637</u>          |
| <b>b) <u>Analysis of changes in net funds</u></b>  |                  | <b><u>2018</u></b><br>£ |
| Cash in hand   | 1,855,107        | 1,581,475               |
| <b>Total cash and cash equivalents</b>   | <u>1,855,107</u> | <u>1,581,475</u>        |

The notes on pages 13 to 25 form part of these financial statements.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements

for the year ended 31st July 2019

### 1). Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The school meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred rather than on a cash basis.

#### b) **Fund Accounting**

The school's unrestricted funds consist of funds which the school may use for its purpose at the Governors' discretion. Certain unrestricted funds have been designated for specific purposes as explained in more detail in note 14.

The school has a number of endowment funds the income of which is used for restricted purposes.

#### c) **Voluntary Income**

Donations under deeds of covenant, together with the associated income tax recovery, are recognised as income when the donation is received.

Legacies are included in income when it is reasonably certain they are to be received and their value can be measured with sufficient reliability.

Awards and grants receivable are credited to income in the school year to which they relate.

Donations for the purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Schools Governors, except that any amounts required to be retained as capital in accordance with the donors wishes are accounted for instead as Endowments- permanent or expendable according to the nature of the restriction.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

**d) Fixed Assets**

Land and buildings have been included in the financial statements at a valuation on an existing use basis.

Depreciation is charged at the following rates:-

|                                 |               |
|---------------------------------|---------------|
| Buildings                       | 30 - 50 years |
| Fixtures Equipment and Fittings | 3 - 20 years  |
| Plant and Facilities            | 4 - 15 years  |

Capital items greater than £2,000 are included in fixed asset additions

**e) Current Asset Investment**

Current asset investments are valued at the lower of cost and net realisable value.

**f) Debtors**

Tuition fee debtors and other debtors are recognised at the settlement amount due.

**g) Creditors and provisions**

Creditors and provisions are recognised where the school has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**h) Investment Income**

Dividends are credited to the income and expenditure account when they are receivable. Credit is taken for interest in the school year to which it relates.

**i) Fee Income**

Fee income is credited to the income and expenditure account in the school year to which it relates.

**j) Allocation of costs**

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis.

Support costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable and consistent basis.

Governance costs comprise the costs of running the school, including strategic planning for its future development, external audit, any legal advice for the Schools Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.



# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2018

### k) Commitments

All expenditure incurred at 31<sup>st</sup> July 2019 has been provided for as detailed in notes 12 and 13.

### l) Pension Schemes

Retirement benefits to employees of Manchester High School for Girls are provided by the Teachers' Pension Scheme ('TPS') and the Scottish Widows schemes for those staff not covered by the Teachers' Pension Scheme.

Scottish Widows is a defined contribution scheme and contributions are charged to the statement of financial activities in the year to which they relate.

#### Teachers' Pension Scheme (England and Wales)

The TPS is an unfunded defined benefit scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

### m) Fixed Asset Investments

Investments held as fixed assets are stated at market value at the balance sheet date.

### n) Fundraising and Marketing

The school operates a Development Department that is responsible for both Fundraising and Marketing. The expenditure is detailed in notes 4 and 6 below.

### o) Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

Financial assets and liabilities are offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### 2) Incoming resources from charitable activity

Incoming resources from charitable activity comprises mainly fee income. Fee income includes £370,260 (2018 £374,458) from The Manchester High School for Girls General Charitable Trust.

### 3) Other trading activities

These activities consist mainly of the hire of school facilities, such as the sports facilities, to local groups outside the school day.

### 4) Charitable Activities

|  | <u>2019</u>       | <u>2018</u>       |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Education costs including salaries and equipment |                   |                   |
| Staff costs                                      | 5,619,117         | 5,398,957         |
| Supplies and Services                            | 687,117           | 670,108           |
| Grants awards and Prizes                         | 671,501           | 562,854           |
| School society funds                             | 28,003            | 28,338            |
| Welfare  | 712,259           | 730,454           |
| Property costs                                   | 1,681,432         | 1,655,394         |
| Teachers' support costs                          | 909,764           | 858,536           |
| Marketing  | 161,367           | 181,856           |
| Bank charges, loan interest                      | 73,813            | 76,544            |
| Bad debts  | 6,051             | 34,427            |
| Governance costs                                 | 19,116            | 18,649            |
|  | <u>10,569,540</u> | <u>10,216,117</u> |

|   | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
|   | £           | £           |
| Fees payable to auditor - audit services            | 11,355      | 10,800      |
| (included in governance costs) - non audit services | 1,740       | 1,300       |



# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

### 5) Other trading activities

This expenditure related mainly to the letting of the school facilities to local groups outside school hours.

|                               | <u>2019</u><br>£ | <u>2018</u><br>£ |
|-------------------------------|------------------|------------------|
| Welfare Costs                 | 724              | 827              |
| Property Costs                | 38,682           | 38,629           |
| Management and Administration | 23,425           | 18,577           |
|                               | <u>62,831</u>    | <u>58,033</u>    |

### 6) Raising funds

|                              | <u>2019</u><br>£ | <u>2018</u><br>£ |
|------------------------------|------------------|------------------|
| Development Office Salaries  | 40,685           | 45,866           |
| Development Office Expenses  | 2,487            | 3,236            |
| Fundraising                  | 29,237           | 34,280           |
| Alumni Relationship Expenses | 3,528            | 2,197            |
|                              | <u>75,937</u>    | <u>85,579</u>    |

Fundraising costs support initiatives to raise funds for both the school and the connected charity The Manchester High School (MHSG Bursary Fund). The funds raised in 2018/19 were £20,917 (2017/18 - £50,142) for the school and £844,701 (2017/18 - £187,552) for the MHSG Bursary Fund. As detailed in the trustees report the MHSG Bursary Fund makes annual bursary grants to the school.

### 7) Staff Costs

|  | <u>2019</u><br>£ | <u>2018</u><br>£ |
|--|------------------|------------------|
| Wages and salaries                               | 5,300,286        | 5,161,958        |
| Social security costs                            | 534,399          | 520,060          |
| Contributions to Teachers' Superannuation Scheme | 632,203          | 613,362          |
| Contributions to Defined Contribution Scheme     | 171,078          | 116,461          |
|  | <u>6,637,966</u> | <u>6,411,841</u> |

The number of employees with total remuneration in excess of £60,000 per annum are analysed below:

|                     |          |          |
|---------------------|----------|----------|
| £60,000 - £69,999   | -        | 1        |
| £70,000 - £79,999   | 4        | 3        |
| £80,000 - £89,999   | 1        | 1        |
| £150,000 - £159,999 | 1        | 1        |
|                     | <u>6</u> | <u>6</u> |

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

### for the year ended 31st July 2019

The key management personnel of the school comprise the Governors and the Senior Management Team listed on Page 1. The total amount of employee benefits (including employer pension contributions) received by the key personnel for their services to the school is £692,893 (2018: £674,451).

The school contributes to a defined benefit pension scheme for 6 (2017/18: 6) and a defined contribution scheme for 2 (2017/18: 2) of the key management personnel.

The average number of people employed by the school (both full time and part time) was as follows:

|                             | <b>2019</b> | <b>2018</b> |
|-----------------------------|-------------|-------------|
| Fundraising                 | 3           | 4           |
| Teaching                    | 94          | 95          |
| Welfare                     | 1           | 2           |
| Premises                    | 7           | 7           |
| Support                     | 23          | 21          |
| Management & Administration | 2           | 2           |
|                             | <b>130</b>  | <b>131</b>  |

#### 8) Tangible Fixed Assets

|   | <b>Freehold<br/>Land &amp;<br/>Buildings<br/>£</b> | <b>Fixtures<br/>Equipment &amp;<br/>Fittings<br/>£</b> | <b>Plant &amp;<br/>Facilities<br/>£</b> | <b>Vehicles<br/>£</b> | <b>Total<br/>£</b> |
|---|--|--|---|-----------------------|--------------------|
| Cost/Valuation                                  |  |  |   |                       |                    |
| Balance as at 31 <sup>st</sup> July 2018        | 10,453,654   | 6,787,901  | 2,465,747                               | 44,393                | 19,751,695         |
| Additions                                       | -  | 189,278  | 14,306                                  | -                     | 203,584            |
| Disposals                                       | -  | -  | -                                       | -                     | -                  |
| Balance as at 31 <sup>st</sup> July 2019        | 10,453,654   | 6,977,179  | 2,480,053                               | 44,393                | 19,955,279         |
| Accumulated Depreciation                        |  |  |   |                       |                    |
| Balance as at 31 <sup>st</sup> July 2018        | 2,365,063  | 4,499,630  | 1,470,849                               | 44,393                | 8,379,935          |
| Charge for the year                             | 148,852  | 405,560  | 147,257                                 | -                     | 701,669            |
| Depreciation on disposals                       | -  | -  | -                                       | -                     | -                  |
| Balance as at 31 <sup>st</sup> July 2019        | 2,513,915  | 4,905,190  | 1,618,106                               | 44,393                | 9,081,604          |
| Net book value as at 31 <sup>st</sup> July 2018 | 8,088,591  | 2,288,271  | 994,898                                 | -                     | 11,371,760         |
| Net book value as at 31 <sup>st</sup> July 2019 | 7,939,739  | 2,071,989  | 861,947                                 | -                     | 10,873,675         |

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

### for the year ended 31st July 2019

All fixed assets are used directly for charitable purposes.

Freehold Land and Buildings have been included at valuation on an existing use basis as at 31st July 2000. The valuation was undertaken by Dunlop Heywood Lorenz, a member of the Royal Institution of Chartered Surveyors. Subsequent additions are included at cost.

The Governors are not aware of any material change that would necessitate amendment to the net book values shown above.

#### 9) Fixed Asset Investments

|   | <u>2019</u>    | <u>2018</u>    |
|---|----------------|----------------|
| Cost at 31 <sup>st</sup> July 2018/31 <sup>st</sup> July 2017           | 60,501         | 60,501         |
| Additions   | -              | -              |
| Disposals   | -              | -              |
| Cost at 31 <sup>st</sup> July 2019/31 <sup>st</sup> July 2018           | <u>60,501</u>  | <u>60,501</u>  |
| Market value at 1 <sup>st</sup> August 2018/1 <sup>st</sup> August 2017 | 224,634        | 210,730        |
| Additions at cost   | -              | -              |
| Disposal at cost  | -              | -              |
| Unrealised (loss)/gain  | <u>21,106</u>  | <u>13,904</u>  |
| Market value at 31 <sup>st</sup> July 2019/31 <sup>st</sup> July 2018   | <u>245,740</u> | <u>224,634</u> |

Investments held in fixed asset investments are as follows:-

COIF Charities Investment Funds amount to £245,740 (2017/18: £224,634).

#### 10) Disbursements

During the year staff and pupils of the school organised a number of educational visits and other extra-curricular activities. These activities generated receipts of £356,267 (2017/18 - £372,161) which have subsequently been disbursed on those activities and have not been recognised in the statement of financial activities as the Governors consider that the school has acted in the capacity of an agent and that these receipts are therefore not available for the school's objects.

At 31st July 2019 £46,077 (2018 £26,413) was included in debtors for expenses met by the School for activities where monies had not yet been collected and £114,008 (2018 £106,391) was included in creditors for monies collected in advance of activities taking place.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

### 11) Debtors

|                                | <u>2019</u>    | <u>2018</u>    |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Tuition fees                   | 56,718         | 54,394         |
| Prepayments and Accrued Income | 116,424        | 116,568        |
| Disbursements (note 10)        | 46,077         | 26,413         |
| MHSG Bursary Fund              | 105,106        | 18,814         |
|                                | <u>324,325</u> | <u>216,189</u> |

### 12) Creditors – Amounts Falling Due Within One Year

|                              | <u>2019</u>      | <u>2018</u>      |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Trade creditors              | 243,171          | 360,907          |
| Accruals and Deferred Income | 112,213          | 98,732           |
| PAYE and national insurance  | 135,482          | 126,581          |
| Superannuation               | 87,596           | 96,463           |
| Fees in advance              | 171,093          | 122,934          |
| Disbursements (note 10)      | 114,008          | 106,391          |
| Reserve for major works      | 9,469            | 57,756           |
| Bank Loan                    | 200,418          | 194,327          |
| Deposits held                | 8,855            | 3,644            |
|                              | <u>1,082,305</u> | <u>1,167,735</u> |

### 13) Creditors – Amounts Falling Due After One Year

|               | <u>2019</u>      | <u>2018</u>      |
|---------------|------------------|------------------|
|               | £                | £                |
| Deposits held | 426,836          | 384,010          |
| Bank Loan     | 927,434          | 1,127,852        |
|               | <u>1,354,270</u> | <u>1,511,862</u> |

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

### 14) Unrestricted Designated Funds

|                      | Balance at<br>31 <sup>st</sup> July 2018<br>£ | Income<br>£ | Expenditure<br>£ | Balance at<br>31 <sup>st</sup> July 2019<br>£ |
|----------------------|---|-------------|------------------|---|
| School society funds | 67,318  | 3,058       | (749)            | 69,627  |

|                      | Balance at<br>31 <sup>st</sup> July 2017<br>£ | Income<br>£ | Expenditure<br>£ | Balance at<br>31 <sup>st</sup> July 2018<br>£ |
|----------------------|---|-------------|------------------|---|
| School society funds | 58,169  | 9,224       | (75)             | 67,318  |

### 15) Restricted & Endowment Funds

The capital element of the Prize Funds generates income which is restricted. This is shown below in the restricted fund described as Prizes and awards.

The restricted income generated from the Prize Fund investments is utilised for prizes and awards made to pupils for academic achievement or to assist in their studies.

The movement in the Prize Funds endowed reflects the change in market value of the investments.

The school has also received restricted funds which are utilised to award scholarships.

The Land and Buildings from which the school operates are permanently endowed.

#### Restricted Funds

|                   | Balance at<br>31 <sup>st</sup> July 2018<br>£ | Income<br>£ | Expenditure<br>£ | Transfer<br>of funds<br>£ | Unrealised<br>gains on<br>Investments<br>£ | Balance at<br>31 <sup>st</sup> July 2019<br>£ |
|-------------------|---|-------------|------------------|---------------------------|--|---|
| Prizes and awards | 126,985                                       | 7,668       | (1,169)          | -                         | 7,307                                      | 140,791                                       |
| Scholarship Fund  | 85,952  | -           | (26,835)         | -                         | -  | 59,117  |
| Total             | 212,937                                       | 7,668       | (28,004)         | -                         | 7,307                                      | 199,908                                       |

|                   | Balance at<br>31 <sup>st</sup> July 2017<br>£ | Income<br>£ | Expenditure<br>£ | Transfer<br>of funds<br>£ | Unrealised<br>gains on<br>Investments<br>£ | Balance at<br>31 <sup>st</sup> July 2018<br>£ |
|-------------------|---|-------------|------------------|---------------------------|--|---|
| Prizes and awards | 115,902                                       | 7,539       | (1,270)          | -                         | 4,814                                      | 126,985                                       |
| Scholarship Fund  | 72,519  | 40,500      | (27,067)         | -                         | -  | 85,952  |
| Total             | 188,421                                       | 48,039      | (28,337)         | -                         | 4,814                                      | 212,937                                       |



# **MANCHESTER HIGH SCHOOL FOR GIRLS**

Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

## **Endowment Funds**

|                  | <b>Balance at<br/>31<sup>st</sup> July 2018</b> |          |                  |          | <b>Balance at<br/>31<sup>st</sup> July 2019</b> |
|------------------|---|----------|------------------|----------|---|
| Prize funds      | 147,364   | -        | -                | -        | 13,799  |
| Land & Buildings | 8,088,590                                       | -        | (148,853)        | -        | 7,939,737                                       |
| <b>Total</b>     | <b>8,235,954</b>                                | <b>-</b> | <b>(148,853)</b> | <b>-</b> | <b>13,799</b>                                   |
|                  |   |          |                  |          | <b>8,100,900</b>                                |
|                  | <b>Balance at<br/>31<sup>st</sup> July 2017</b> |          |                  |          | <b>Balance at<br/>31<sup>st</sup> July 2018</b> |
| Prize funds      | 138,274   | -        | -                | -        | 9,090   |
| Land & Buildings | 8,237,443                                       | -        | (148,853)        | -        | 8,088,590                                       |
| <b>Total</b>     | <b>8,375,717</b>                                | <b>-</b> | <b>(148,853)</b> | <b>-</b> | <b>9,090</b>                                    |
|                  |   |          |                  |          | <b>8,235,954</b>                                |

## **16) Analysis of Net Assets Between Funds**

| <b>As at 31<sup>st</sup> July 2019</b> | <b>Unrestricted<br/>Funds</b> | <b>Unrestricted<br/>Designated<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Endowment</b> | <b>Total</b>      |
|--|-------------------------------|--|-----------------------------|------------------|-------------------|
|  | £                             | £  | £                           | £                | £                 |
| Tangible fixed assets                  | 2,933,938                     | -  | -                           | 7,939,737        | 10,873,675        |
| Fixed asset investments                | -                             | -  | 84,577                      | 161,163          | 245,740           |
| Net current assets less long term      |                               |  |                             |                  |                   |
| Liabilities                            | (442,101)                     | 69,627                                       | 115,331                     | -                | (257,143)         |
|  | <b>2,491,837</b>              | <b>69,627</b>                                | <b>199,908</b>              | <b>8,100,900</b> | <b>10,862,272</b> |
| <b>As at 31<sup>st</sup> July 2018</b> | <b>Unrestricted<br/>Funds</b> | <b>Unrestricted<br/>Designated<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Endowment</b> | <b>Total</b>      |
|  | £                             | £  | £                           | £                | £                 |
| Tangible fixed assets                  | 3,283,168                     | -  | -                           | 8,088,592        | 11,371,760        |
| Fixed asset investments                | -                             | -  | 77,272                      | 147,362          | 224,634           |
| Net current assets less long term      |                               |  |                             |                  |                   |
| Liabilities                            | (1,161,717)                   | 67,318                                       | 135,665                     | -                | (958,734)         |
|  | <b>2,121,451</b>              | <b>67,318</b>                                | <b>212,937</b>              | <b>8,235,954</b> | <b>10,637,660</b> |



## MANCHESTER HIGH SCHOOL FOR GIRLS

### Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

#### 17) Related Party Transactions

During the year under review the following transactions took place between Manchester High School for Girls and The Manchester High School for Girls Charitable Trust (MHSG Bursary Fund), which is a connected charity.

The school received £378,192 (2017/18 £ 374,458) in a bursary grant during the year from The Manchester High School for Girls Charitable Trust.

A donation of £248,257 (2017/18 £ 274,337) was paid to The Manchester High School for Girls Charitable Trust to augment their resources.

At the year-end The Manchester High School for Girls Charitable Trust owed School £105,106 (2018: - was owed £18,814).

During the year £579 was spent on a leaving party for retiring Governors (2017/18 £1,813). The school funded external training of £415 (2017-18 £386) in their role as Governors and in addition received training internally and at other local schools who have chosen to provide this training free of charge. No Governor receive any remuneration for their role. The Governors have claimed expenses during the year of £994 (in previous years none).

Laura Earnshaw is the founder of myHappyMind and a Governor. myHappyMind provides this educational curriculum to MHSG for free.

F Smyth and A Bland both have pupils at the school and both pay school fees at a non-discounted rate.

#### 18) Legal states of the school

At 31<sup>st</sup> July 2019 the school operates through a Charitable Company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 19) Pension and similar obligations

The school's current employees belong to two principal pension schemes:

- the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff;
- Scottish Widows for those staff not covered by the TPS;

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2014). Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# MANCHESTER HIGH SCHOOL FOR GIRLS

## Notes on and forming part of the Financial Statements cont....

for the year ended 31st July 2019

### Valuation of the 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 £632,203 (2018: £613,362) and at the year-end £86,531 (2018 - £81,779) was payable in respect of contributions to this scheme.

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 judgment that transitional provisions introduced to the reformed pension schemes in 2015 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 as 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.

### Scottish Widows – MHSG Support Staff Scheme

The MHSG Support Staff Scheme is a defined contributions scheme.

Contributions made into this scheme are paid by the school at rates specified in the scheme rules. The assets of the scheme are held separately from those of the school in an independently administered fund and are charged to the statement of financial activities in the year to which they relate.

The school paid contributions at the rate of 10% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there were 51 active members of the Plan employed by the school. The school continues to offer membership of the Plan to its employees.

## **MANCHESTER HIGH SCHOOL FOR GIRLS**

### **Notes on and forming part of the Financial Statements cont....**

#### **for the year ended 31st July 2019**

Contributions amounting to £120,693 (2017-18:4 months- £37,473) were payable by the school during the year and have been recognised in the statement of financial activities. As at the balance sheet dated contributions of £Nil (2017-18: £14,684) had not been paid over to the fund and are included within creditors.

#### **Pensions Trust**

As planned the school has withdrawn completely from all PTP pension plans during the year. During the year the school made contributions of £65,718.



## **MANCHESTER HIGH SCHOOL FOR GIRLS**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER HIGH SCHOOL FOR GIRLS FOR THE YEAR ENDED 31st JULY 2019**

#### **Opinion**

We have audited the financial statements of Manchester High School for Girls for the year ended 31 July 2019, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including (FRS 102) The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its results 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 the International Standards on Auditing (UK) (ISAs((UK))) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusion relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISA's(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 charitable company's ability to continue to adopt the going concern basis for 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **MANCHESTER HIGH SCHOOL FOR GIRLS**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER HIGH SCHOOL FOR GIRLS FOR THE YEAR ENDED 31st JULY 2019 CONT....**

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 the other information. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report for the financial year for which the financial statements have been prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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

In light of our knowledge and understanding of the charitable company and its environment obtained during the course of the audit, we have not identified material misstatements in the Trustees report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities (set out on page 8), the Trustees 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis for accounting unless the Trustees either intend to liquidate the charitable Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## MANCHESTER HIGH SCHOOL FOR GIRLS

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER HIGH SCHOOL FOR GIRLS FOR THE YEAR ENDED 31st JULY 2019 CONT....

As part of an audit in accordance with ISAs(UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related part disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of our audit and significant audit findings, including any significant deficiencies in internal control we identify during the audit.

#### Use of our report

This report is made solely to the charitable company's Governors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Hallidays, Statutory Auditor  
Riverside House, Kings Reach Business Park  
Yew Street, Stockport, SK4 2HD

12/12/19

Date