

CHARITY NUMBER: 1131425
COMPANY NUMBER: 06924216

**OAKHAM SCHOOL
TRUSTEES' REPORT
AND
FINANCIAL
STATEMENTS
YEAR ENDED 31 AUGUST 2018**

OAKHAM SCHOOL
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

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OAKHAM SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

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							
2. Dean of Peterborough ¹							
3. HM Lord Lieutenant of the County of Rutland ²	8 March 18		✓				
4. Prof P Baker	14 Jun 18						
5. Mr J E Czamota							
6. M Dorsett	28 Nov 17						
7. Mr P S Dooty ³	14 Jun 18		✓				
8. Mr R R Foulkes ⁴	14 Jun 18	✓					
9. Mrs J H Gibson			✓	✓			
10. Prof N T Gorman ⁵		✓	CHAIR	✓	CHAIR	✓	CHAIR
11. Mrs J H Grundy	14 Jun 18				✓	✓	✓
12. Mr H Haefeli ⁶		CHAIR			✓	✓	
13. Mr N D G Jones							
14. Mr A R M Little			✓		✓		
15. Mrs J P Lucas ⁷	14 Jun 18	✓		✓	✓		✓
16. Mrs J M Osborne	8 March 18			✓	✓	✓	
17. Mr M G Wilson		✓				CHAIR	
18. Mr S H Woolfe	14 Jun 18			CHAIR			
19. Mrs R Patel	28 Nov 17						
20. Prof S Petersen	8 March 18		✓				
21. Mr G J Schanschleff ⁸							

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. Ex-officio The Very Rev'd Christopher Dallston confirmed June 2018 AGM.
2. Ex-officio Sir Laurence Howard, HM Lord Lieutenant of the County of Rutland retired March 2018 and Dr Sarah Furness, HM Lord Lieutenant of the County of Rutland was appointed.
3. Re-Appointed 14 June 2018 AGM for an additional two years to support the School in achieving the new objectives with MYP and appointing the new Head
4. Re-appointed for a further two years at the Trustee's request for shorter term.
5. Appointed Chair of Board 15 June 2017 AGM
6. Appointed Chair of Finance Committee 15 June 2017 and Co-Vice Chair 12 October 2017
7. Appointed Co-Vice Chair 12 October 2017
8. Sabbatical 30 November 2017

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OFFICERS

Headmaster	Mr N M Lashbrook BA (Oxon)
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
Deputy Head (Pastoral & Co-Curricular)	Mrs S J Gomm BSc
Deputy Head (Academic)	Mr D A Harrow MA (Cantab)

BANKERS

NatWest Bank PLC
7 High Street
Melton Mowbray
Leicestershire
LE13 0TT

AUDITORS

haysmacintyre
10 Queen Street Place
London, EC4R 1AG

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

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2018

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 2018. 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 2018, 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 2017 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 2017.

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. The services of AGBIS have been used for Trustee training at the School on two occasions during the year.

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

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 2017 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:

Mrs J Osborne +	Mr S Woolfe +
Mr P O Lawson *	Mr S K Mehra **
Mr R Barnes	Mr N C Wilson

+ representative Trustees

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, The Elizabethan Trust has common trustees with those of the School. The Trustees of Oakham School reviewed the relationship with the Elizabethan Trust in 2017 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.

OAKHAM SCHOOL
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 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 termly briefings 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)
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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 Harington School

Harington School is a 6th 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. In particular, 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. given access to science laboratories for Harington pupils
- f. provided opportunities for Harington pupils for academic enrichment through talks, shared trips, individual student use of the Oakham's Smallbone Library, events such as Week of the Word, UCAS talks and careers advice
- g. provided some limited teaching
- h. facilitated French A-level oral examinations for Year 13 Harington pupils

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2. The awarding of means-tested bursaries

In the year, 70 pupils (2016/17: 76) benefitted from means-tested bursaries totalling £876,998 (2016/17: £987,305), representing an average award of £12,529 (2016/17: £12,991). Trustees aim to award around 5% of gross fee income as means-tested bursaries. 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. In summer 2017, participants worked in Lochinver on a variety of projects.
- e. Annual instructional support to the RAF's Air Cadet Leadership Course at RAF Cranwell.
- f. Partnering English Martyrs CVA to run a Project 500 STEM-themed reading challenge.
- g. Hosting a Drama workshop for 30 local primary school children.
- h. Working with the Catmose Partnership on their Newly Qualified Teacher (NQT) programme.
- i. Language teaching at English Martyrs CVA by a teacher & F6 pupils
- j. Help at an after school Spanish Club at St Mary & St John Primary School by F7 pupils.
- k. Mentoring of Postgraduate Certificate of Education (PGCE) students.
- l. DT, Music and Sports coaching days offered to local primary schools.
- m. The Economics Department ran an IEA Conference which was attended by other secondary schools.
- n. Author visits organised by the Library which local primary school pupils are invited to.
- o. Careers advice and practice interviews for local Sixth Form students applying for medicine related degree courses.

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

- a. ICT training and activities for elderly people in conjunction with Age UK.
- b. Visiting local Residential Care Homes.
- c. Help with local nurseries and primary schools.
- d. Annual Harvest Party for local elderly residents.
- e. Assistance in local charity shops.
- f. Helping at Rocks by Rail – clearing land and painting/renovating steam engines.

Members of Oakham staff are involved in projects and schemes within and beyond the community:

- a. The Director of Music is Trustee and Vice Chair for Arts for Rutland.
- b. The Head of Design & Technology is a member of the IB Curriculum Review Panel and a Moderator for IB DT.
- c. A DT Teacher is an Associate Examiner for AQA.
- d. A Physics Teacher is the organiser of the Rutland Astronomical Society.
- e. The Head Librarian 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.
- f. 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.
- g. Many of the school's staff are governors at local primary schools.

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4. Raising funds for charity

The School raised £40,000 for 35 charities through 45 fund raising events.

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

The School makes available at no charge its Pavilion, Wilson Auditorium, 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 £25,000.

6. 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, 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.

7. 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 30 different nationalities are represented by pupils in the school, and 18% of the pupil body (45% 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.

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.

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TRUSTEES' REPORT (CONTINUED)
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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 2016-2018 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 concluded that it would introduce the International Baccalaureate so-called Middle Years Programme 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.

After a careful review of the direction the School wished to adopt in terms of ICT strategy, the School decided to adopt dockable tablets with digital ink capability using the Microsoft Office 365 environment and its suite of tools, many of which are well-suited to collaborative working. These were procured during August and September 2017 and roll out commenced at the start of 17/18. There were significant amounts of training for Teaching Staff during 2017/18 to ensure the full functionality of these devices is used in a pedagogical environment in the classroom.

The School has over a number of years developed its own School Information Management system and believes this system market leading in terms of its ability to track pupil progress. 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.

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 pupil mental health and well-being risks.

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TRUSTEES' REPORT (CONTINUED)
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The Lower School (Years 6 to 8 inclusive) model was changed to coincide with the appointment of a new Head of Lower School, Adrian Morris, from September 2017 who joined from Harrow Prep in Hong Kong to replace Val Harvey as Master of Jerwoods. 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.

Work continued on progressing the School's Capital Development Plan. The main project was a £1 million investment in the Lower School throughout the year. The objective of this building programme was:

- To provide one net extra classroom to future proof having two Lower 1 (Year 6) classes, a decision which proved a wise one, given a strong intake for September 2018 for Lower 1 and the need for two classes
- to provide much improved changing rooms including lockers and showers for up to 54 pupils per each of the four houses
- to provide a homely common room for each house
- to provide a fit-for purpose office for housemasters and mistresses, with good visibility into common rooms, waiting areas for parents and pupils and access to tea-making facilities
- generally, to enhance the aesthetics through painting, decoration, new lighting and more modern furniture various areas including circulation spaces which were outdated.

Through excellent collaboration between contractor, the School's own estates team and architects on what was a very complex project to be delivered in a live environment for much of the year, the new facility was ready for the start of the 2018/19 academic year, to the acclaim of staff and parents alike. Pupil number projections for the Lower School beyond 18/19 are very strong.

Architects progressed a feasibility study of a major refurbishment and remodelling of the girls' boarding houses, Rushebrookes and Buchanans.

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. A significant amount of LED lighting was rolled out, with a particularly pleasing impact in the Smallbone Library, as well as the installation double-glazed window units on another whole floor of the Ashburton building.

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; and
- maintain tight control and/or reduce third party operating expenditure and support staff headcount.

Other Capital Developments

Other significant projects in the year were the refurbishment of the large Modern Foreign Languages Department staff office and the completion of upgrades to Barrow and Clipsham boys' changing rooms and shower facilities. Architects progressed a feasibility study of a major refurbishment and remodelling of the girls' boarding houses, Rushebrookes and Buchanans.

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TRUSTEES' REPORT (CONTINUED)
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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 1,036 pupils (2017: 1,062) of whom 476 (2017: 492) were day pupils, 84 (2017: 19) were flexi-boarders (up to 5 nights), 125 (2017: 173) were day boarders (3 night) or transitional boarders in the lower school and 351 (2017: 378) 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 some encouraging headlines. Combining results in A-levels, the International Baccalaureate Diploma Programme (IB DP), Pre-U and BTEC, 46% of entries were graded A*/A (2017 47%). The average score for IB DP was 34.8 points (2017: 36.1 points) comparing very favourably to the worldwide average of 30.2. Eight students achieved 40 points or more, the equivalent of 4 A*s at A level. Overall 70% of students (2017: 73%) gained A*/A/B or equivalent. This proportion compares to Oakham's best result in the last ten years of 82%. 41 (2017: 56) students gained straight A*s/As or equivalent in Upper School qualifications. 62% (2016: 58%) of GCSE/IGCSE grades were graded A* or A or equivalent (9/8/7 on the reformed grading system), with 25% of grades in the new 9-1 system being grade 9 (which compares to around 4% for the UK and 20% for the independent sector). The first cohort of BTEC level 3 Diploma in Sport and Exercise Science students all achieved Distinction* and/or Distinction grades – equivalent to A* or A grades at A-level. Oakham achieved an A-level League Table ranking of 96th (68th in 2017) of those schools which submit data based on the proportion achieving A* or A equivalent.

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 third year in which students' teams entered the "Teen Tech Awards" (which encourages innovative thinking in STEM subjects). For the 3rd year running Oakham triumphed at the final, with four teams reaching the final and one student winning the Best Research Award prize. Since 2013, Oakham has won nine awards at this event.

Oakham Politics Students were selected by the EU Parliament to represent the UK at the Euroschola Conference – for the eleventh year running!

Two linguists in Form 4 won prizes at the 'European Challenge' organised by Business Language Champions. Prizes awarded were for best leadership qualities at the event and best French. Form 4 pupils achieved 6 Gold, 7 Silver and 14 Bronze awards at the Biology Challenge. Computer Science students took part in the school's inaugural Hackathon specially designed to develop students' problem-solving skills and abilities. We also hosted Rutland Schools' first ever Philosophon.

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

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

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 spectacular surroundings of Cambridge's Corn Exchange. Members of the Chamber Choir, Symphony and Chamber Orchestras embarked on a very successful tour of Belgium and performed in a number of spectacular cathedrals.

One of our Music Scholars won the BBC Proms Inspire Competition and additionally introduced his latest choral work live on BBC Radio 3. He was also awarded a scholarship to Trinity College Cambridge! For the seventh time, a student was the winner in the annual Royal Opera House composition 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.

In Drama, the Main School Production was a fantastic performance of *Sister Act*, which was sold out each night. There was a second musical performed by the Lower School, who impressed audiences with *Beauty and the Beast* in the summer term. There was an additional Lower School performance – the *Magical Voyage of Ulysses*. The Middle School superbly showcased *The Lord of the Flies*, which was in complete contrast to the Scholars highly entertaining performance of *Five Women Wearing the Same Dress*. There was a moving Studio Production of *The Summoning of Everyman*. OO Richard Hope, ran a National Youth Theatre Workshop for Drama Award Holders.

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. The 1st XI boys hockey team were runners up in both the indoor and outdoor cups, whilst the girls Hockey 1st XI also made the National Finals, ranking 6th in the country. The U13 Boys Hockey team also reached their national final. Hockey teams won eight of the nine available County Cups. In Netball, both the U14 and U19 squads reached National Finals, three teams having competed in the Regional Finals. In Rugby, the U18 squad were once again semi-finalists in the Rosslyn Park national Finals. In Athletics, Oakham students competing in the County Athletics Championships, won an impressive haul of 43 medals, 25 of which were Gold; throughout the season, six athletes have broken long-held School records. In cricket, another excellent season concluded with our 1st team as County Champions.

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

- A Sports Scholar made international history having been selected as the first athlete based outside of the United States to play in the 2018 Under Armour All-America High School Football Game.
- Seven Oakhamians were selected to play Rugby for their country: England U18s, Wales U18s, England Counties side, Jamaican Senior Sevens, England U18 Sevens, Scotland U18s Sevens and Netherlands U18s.
- The 1st XI Boys' Hockey captain was selected to represent the GB Elite Development Squad in the 6 Nations Hockey Tournament. He also won the U18 Hockey Writers' Club National Youth Award.
- A female pupil represented Leicestershire Vixens in the county womens' team.
- A female pupil played football for Northern Ireland U19 ISFA Representative Squad.
- In Netball, six girls have continued to represent Loughborough Lightning and one pupil represented Leicestershire County in their development squad.
- A male pupil was selected for Nottinghamshire CCC Academy and played for the England U19s team against South Africa in a 'Youth' Test.
- Three pupils were selected to represent the ISFA North and Midlands region at the inaugural Independent Schools Football Association (ISFA) Girls U15 Regional Representative Festival.
- A Sports Scholar won a silver medal in the 400 intermediate boys at The English Schools Athletics Championships and went on to represent England, whilst another boy represented GB U19 in the Duathlon.

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

- 12 sailors competed for Team GB at the World National RS Feva Sailing Championships in Florida and a female pupil represented GB U19.

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.

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

- Kenya expedition: supporting rural village schools
- Lower School ski trip to Campiglio
- Middle and Upper school ski trip to Panorama Canada
- History students explored the cities of Krakow and Berlin in relation to the events of the Second World War
- Battlefields trip
- 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

The School's extensive activities programme, which includes the organisation of 125 activities a week using 180 staff and is run in conjunction with Sport, provides all 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. 18 Cadets were awarded their BTEC Diploma in Teamwork and Personal development. Oakham School was the first school to reach 1000 Gold Duke of Edinburgh awards and an astonishing 5000 awards back in 2011. 19 Gold Awards were received in 2018. 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.

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 10 years, work is now underway to build upon that success and secure gifts for funding the next stages of capital development. The priority for the next five years is the building of a new Music School and improvement in facilities for Drama which will both be housed in a fit for purpose Performing Arts Centre, additional Sports Facilities and the raising of funds to support bursaries, and specifically 110% Springboard bursaries. Success in this campaign will require higher levels of parent support than has previously been necessary. Fund-raising consultants Graham Pelton were appointed in 2015 for a two year engagement to assist with setting up the systems, process and structures to enable fundraising to be at the heart of the School.

Donations raised in 2017/18 totalled £318,000 and the costs of running the Foundation were £150,000. As at 31 August 2018, donations, commitments and pledges in the quiet phase of fund-raising since May 2015 totalled £1.01m. The monetary value of the potential pipeline of donors being worked on was £3.02m.

The Campaign was publicly launched just after year end on 8 September 2017 coinciding with the formal opening of the Faculty of Social Sciences on the basis that 40% of the £2 million Phase 1 target had been raised. There is a clear case for support aligned to the School's vision. The fundraising database supports the progression of potential donors and processes and procedures are now in place, which allow sustained fundraising and stewardship.

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

Engaging potential supporters with the School on a long-term basis is now 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 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 2018.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year are set out on pages 22 and 23. In the year to 31 August 2018, there was net expenditure from operations of £212,000 (2017: net income of 732,000). There were also unrealised gains on investments arising in The Elizabethan Trust of £224,000 (2017: £409,000).

Gross fee income for the year reflected an increase of 1.0% on the previous year (2017: 2.3%). The increase was impacted by the reduction in the average number of pupils and a change in the boarding mix with a greater number of pupils taking advantage of the flexi-boarding option. As planned, the School invested significant capital funds amounting to £2,048,000 in the year (2017: £2,767,000). 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. The depreciation charge for the year increased by £180k to £1,507k.

The School's trading company, Oakham School Enterprises Limited (OSEL), contributed £116,000 (2017: £174,000) in recognition of its use of School facilities. After allowing for this contribution, OSEL made a residual loss of £44,000 (2017: profit of £40,000 gifted to the School).

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 per centage 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). The investment surplus for Oakham School including OSEL, the activities of the Foundation and the investment performance of the Elizabethan Trust was £1,295,000 (2017: £2,059,000), representing 5.5% (2017: 8.9%) 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.

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

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.

Due to the heavy investment in fixed assets, notably buildings, in the School, there are currently no free reserves in the School (2017: £nil). However, the Trustees are satisfied that external finance facilities provide an additional and adequate safety net if it should be required. A £3m 3 year secured Revolving Credit Facility is in place which runs through to mid-2019. Furthermore, the consolidated School position includes The Elizabethan Trust which had total funds of £5,210k at 31 August 2018 (2017: £5,095k). Of the total funds, £3,102k (2016: £3,141k) 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 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.

The introduction of the IB Middle Years Programme will be phased over several years and will initially involve the development and delivery of trial units before its introduction to year 1 in 2019/20.

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, currently Headmaster at Wellington School in Somerset, was appointed from September 2019.

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.

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

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)
- 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)

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 2017)
- 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 proposed increase in employer contributions to the Teacher's Pension Scheme
- 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

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).

OAKHAM SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2018

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;
- 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.

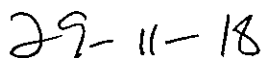
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2018

Opinion

We have audited the consolidated financial statements of Oakham School for the year ended 31 August 2018 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 2018 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. This description forms part of our auditor's report.

OAKHAM SCHOOL
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKHAM SCHOOL
YEAR ENDED 31 AUGUST 2018

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 2018

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, Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

10 December 2018

OAKHAM SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds	2018 £'000	2017 £000
Income and Endowments from:						
Charitable activities						
School fees receivable	2	23,552	-	-	23,552	23,232
Ancillary trading income	3	2,628	-	-	2,628	3,071
Other Trading Activities						
Non ancillary trading income	4	667	-	-	667	808
Investments						
Investment Income	5	140	36	-	176	201
Bank and other interest		3	-	-	3	3
Voluntary Sources						
Donations and legacies		-	318	-	318	79
Other income						
Profit on sale of assets		100	-	-	100	241
TOTAL INCOME		27,090	354	-	27,444	27,635
Expenditure on:						
Raising funds						
Non-ancillary trading		565	-	-	565	577
Financing costs		74	-	-	74	72
Fundraising & Development		150	-	-	150	251
	8	789	-	-	789	900
Charitable activities						
Education and grant making	8	26,744	123	-	26,867	26,003
Total expenditure		27,533	123	-	27,656	26,903
Net (expenditure) / Income from operations before transfers and investment gains carried forward						
		(443)	231	-	(212)	732

OAKHAM SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2018 £000	2017 £000
Net (expenditure) / income from operations before transfers and investment gains brought forward		(443)	231	-	(212)	732
Transfers	18	-	-	-	-	-
Unrealised gains on investments	11	95	9	119	223	409
Net income		(348)	240	119	11	1,141
Fund balances brought forward at 1 September 2017	18	25,875	674	1,596	28,145	27,004
Fund balances carried forward at 31 August 2018	18	25,527	914	1,715	28,156	28,145

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 25 to 45 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 2018

		Group		Charity	
	Notes	2018	2017	2018	2017
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible fixed assets	10	31,488	31,059	31,488	31,059
Investments	11	5,132	5,042	-	-
		<u>36,620</u>	<u>36,101</u>	<u>31,488</u>	<u>31,059</u>
CURRENT ASSETS					
Stock	12	212	212	36	20
Debtors	13	734	1,131	1,167	1,312
Bank and cash		<u>3,694</u>	<u>2,954</u>	<u>3,358</u>	<u>2,842</u>
		<u>4,640</u>	<u>4,297</u>	<u>4,561</u>	<u>4,174</u>
CREDITORS: due within one year	14	<u>(8,952)</u>	<u>(8,186)</u>	<u>(8,926)</u>	<u>(8,135)</u>
NET CURRENT LIABILITIES		(4,312)	(3,889)	(4,365)	(3,961)
TOTAL ASSETS LESS CURRENT LIABILITIES		32,308	32,212	27,123	27,098
CREDITORS: due after more than one year					
Advance fees scheme	15	(2,875)	(2,638)	(2,875)	(2,638)
Deposits	16	(1,230)	(1,333)	(1,230)	(1,333)
Leasing		<u>(47)</u>	<u>(96)</u>	<u>(47)</u>	<u>(96)</u>
TOTAL NET ASSETS		<u>28,156</u>	<u>28,145</u>	<u>22,971</u>	<u>23,031</u>
Endowment funds	18	1,715	1,596	-	-
Restricted funds	18	914	674	521	316
Unrestricted funds	18	25,527	25,875	22,450	22,715
TOTAL FUNDS	18	<u>28,156</u>	<u>28,145</u>	<u>22,971</u>	<u>23,031</u>

The net movement in funds of the Charity for the year was a reduction of £57,000 (2017 increase of £894,000).

The financial statements were approved and authorised for issue by the board of Directors on 29th November 2018 and signed on its behalf by


 Chairman

 Chairman of Finance Committee

The notes on pages 25 to 45 form part of these financial statements.

OAKHAM SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

	2018	2017
	£000	£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)	(212)	732
Elimination of non-operating cash flows:		
- Investment income and bank interest receivable	(106)	(134)
- Bank interest paid	21	14
- Endowment donations	(318)	(79)
Depreciation	1,507	1,327
Surplus on sale of fixed assets	(100)	(241)
Decrease in stocks	-	16
Decrease in debtors	316	5
Increase in creditors	475	1,040
Increase in Fees in Advance scheme	456	1,278
Increase in deposits	49	67
Net cash provided by operating activities	2,088	4,025
Cash flows from investing activities:		
Purchase of fixed assets	(2,048)	(2,767)
Sale of fixed assets	211	344
Purchase of investments	(455)	(55)
Sale of investments	590	123
Investment income and bank interest receivable – excludes rental income	106	134
Net cash used in Investing activities	(1,596)	(2,221)
Cash flows from financing activities:		
New endowments	318	79
Net (decrease) / increase in Hire Purchase/Leasing Contracts	(48)	146
Bank interest paid	(21)	(14)
Net cash provided by financing activities	249	211
Change in cash and cash equivalents in the reporting period.	741	2,015
Cash and cash equivalents at the beginning of the reporting period	2,953	939
Cash and cash equivalents at the end of the reporting period	3,694	2,954
Analysis of cash and cash equivalents:		
Cash at bank	3,694	2,954

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 xx.

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 2018

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 2018

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 2018

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

	2018 £000	2017 £000
Fees receivable consist of:		
Gross fees	26,466	26,194
Less: total scholarships bursaries, grants and allowances paid for from unrestricted funds	(2,914)	(2,962)
	<u>23,552</u>	<u>23,232</u>

Additional scholarships and bursaries of £113,000 (2017: £51,000) were paid for from Restricted Funds.

3. ANCILLARY TRADING INCOME

	2018 £000	2017 £000
Charges for trips and other extra-curricular activities	2,113	2,508
Additional tuition fees	224	234
Registration fees	42	44
Deposit fees forfeited	6	1
Charges for overdue fees	2	2
Fees Remission premiums	162	184
Sundry Income	79	98
	<u>2,628</u>	<u>3,071</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 2018

4. NON-ANCILLARY TRADING INCOME

	2018	<i>2017</i>
	£000	<i>£000</i>
Non-Ancillary Trading activity-trading subsidiary	667	<i>808</i>

The non-ancillary trading activity is undertaken by Oakham School Enterprises Limited, a wholly owned subsidiary of the School.

5. INVESTMENT INCOME

	2018	<i>2017</i>
	£000	<i>£000</i>
Rents receivable	72	<i>70</i>
Income from Common Investment Funds	104	<i>131</i>
	176	<i>201</i>
Bank and other interest received	3	<i>3</i>
	179	<i>204</i>

6. EXPENDITURE

	2018	<i>2017</i>
	£000	<i>£000</i>
Other expenditure includes:		
Operating lease rentals (plant & machinery)	17	<i>113</i>
Auditors' remuneration:		
For audit - School	18	<i>18</i>
For audit - OSEL	3	<i>3</i>
For audit - Elizabethan Trust	4	<i>3</i>
Non-audit fees - School	1	<i>1</i>
Non-audit fees - OSEL	1	<i>1</i>

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. STAFF COSTS

	2018	2017
		£000
Total Staff costs		
Wages and salaries	14,505	14,011
Social security costs	1,401	1,350
Pension contributions	<u>1,774</u>	<u>1,744</u>
	<u>17,680</u>	<u>17,105</u>

Total staff costs include £210,000 (2017: £199,000) 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 556 (2017: 536) of which 273 (2017: 265) 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 422 (2017: 415) of which 221 (2017: 220) 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 £321 were reimbursed in the year (2017: £128).

	2018	2017
	£000	£000
Aggregate employee benefits of key management personnel	<u>654</u>	<u>623</u>

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

	2018	2017
	No	No
£60,001 - £70,000	24	15
£70,001 - £80,000	1	3
£80,001 - £90,000	2	-
£110,001 - £120,000	1	1
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-

In 2018, twenty-seven (2017: eighteen) 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 (2017: two).

During the year there were redundancy or termination payments made which amounted to £20,000 (2017: £27,000).

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. ANALYSIS OF TOTAL EXPENDITURE

2018

	<i>Staff costs</i>	<i>Other</i>	<i>Depreciation</i>	<i>Total</i>
	£000	£000	£000	£000
Raising and managing funds:				
Non-ancillary trading	231	334	-	565
Financing costs under Advance Fee Contracts	-	53	-	53
Bank interest and other finance costs	-	21	-	21
Fundraising for voluntary sources	101	49	-	150
	<u>332</u>	<u>457</u>	<u>-</u>	<u>789</u>
Total cost of generating and managing funds				
Charitable activities:				
Teaching costs	12,504	1,342	-	13,846
Grants from restricted funds		123	-	123
Welfare costs	2,156	1,297	-	3,453
Premises costs	896	1,873	1,507	4,276
Support costs	1,582	3,559	-	5,141
Governance costs	-	28	-	28
	<u>17,138</u>	<u>8,222</u>	<u>1,507</u>	<u>26,867</u>
Total cost of charitable activities				

2017

	£000	£000	£000	£000
Raising and managing funds:				
Non-ancillary trading	232	345	-	577
Financing costs under Advance fee Contracts	-	58	-	58
Bank interest and other finance costs	-	14	-	14
Fundraising for voluntary sources	91	160	-	251
	<u>323</u>	<u>577</u>	<u>-</u>	<u>900</u>
Total cost of generating and managing fund				
Charitable activities:				
Teaching costs	12,174	1,169	-	13,343
Grants from restricted funds	-	69	-	69
Welfare costs	2,000	1,281	-	3,281
Premises costs	857	1,677	1,327	3,861
Support costs	1,552	3,872	-	5,424
Governance costs	-	25	-	25
	<u>16,583</u>	<u>8,093</u>	<u>1,327</u>	<u>26,003</u>
Total cost of charitable activities				

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 2018

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 2017	34,678	7,881	343	4,909	47,811
Additions	873	680	79	416	2,048
Disposals	(147)	(308)	(30)	(266)	(751)
31 August 2018	35,404	8,253	392	5,059	49,108
Depreciation					
1 September 2017	10,283	3,423	261	2,785	16,752
Charge for year	676	477	42	312	1,507
Disposals	(43)	(301)	(29)	(266)	(639)
31 August 2018	10,916	3,599	274	2,831	17,620
Net book values					
31 August 2018	24,488	4,654	118	2,228	31,488
<i>31 August 2017</i>	<i>24,395</i>	<i>4,458</i>	<i>82</i>	<i>2,124</i>	<i>31,059</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 31st August 2018 was £608,000 (2017: £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 (2017: £135,000).

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. INVESTMENTS – GROUP AND CHARITY

	2018 £	2017 £
Market value as at 1 September 2017	5,042	4,701
Acquisitions at cost	456	55
Disposals at carrying costs	(590)	(123)
Unrealised gain on revaluation	224	409
Market value as at 31 August 2018	<u>5,132</u>	<u>5,042</u>
Historical cost as at 31 August 2018	<u>4,182</u>	<u>4,199</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 2018 (31 August 2017: £2).

12. STOCK

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
School Shop	176	192	-	-
School - Catering	20	20	20	20
School - Sundry	16	-	16	-
	<u>212</u>	<u>212</u>	<u>36</u>	<u>20</u>

13. DEBTORS

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Fees	510	462	510	462
Trade Debtors	14	444	-	-
Loan to subsidiary undertaking	-	-	206	206
Gift Aid payment due from subsidiary undertaking	-	-	-	40
Sundry debtors	47	33	288	413
Prepayments	163	192	163	191
	<u>734</u>	<u>1,131</u>	<u>1,167</u>	<u>1,312</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
FOR THE YEAR ENDED 31 AUGUST 2018

14. CREDITORS: DUE WITHIN ONE YEAR

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Fees received before the year end	4,131	3,497	4,131	3,497
Trade Creditors	850	967	836	955
Taxes and Social Security	385	381	352	343
Other creditors	774	899	795	898
	6,140	5,744	6,114	5,693
Advance Fees Scheme (see note 15 below)	2,410	2,191	2,410	2,191
Deposits (see note 16 below)	402	251	402	251
	8,952	8,186	8,926	8,135

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:

	2018	2017
	£000	£000
After 5 years	43	117
Within 2 to 5 years	1,624	1,513
Within 1 to 2 years	1,208	1,008
	2,875	2,638
Within 1 year	2,410	2,191
	5,285	4,829

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017	4,829	
New contracts	3,014	
Amounts accrued to contract as debt-financing costs	53	
	<u> </u>	7,896
Amounts utilised in payment of fees to the School		<u>(2,611)</u>
Balance at 31 August 2018		<u>5,285</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.

	2018 £000	2017 £000
After 5 years	291	180
Within 2 to 5 years	604	744
Within 1 to 2 years	335	408
	<u> </u>	<u> </u>
	1,230	1,332
Within 1 year	389	251
	<u> </u>	<u> </u>
	1,619	1,583

17. FINANCIAL INSTRUMENTS

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Financial assets measured at fair value (a)	5,132	5,042	-	-
Financial assets measured at amortised cost (b)	4,265	3,893	4,362	3,963
Financial liabilities measured at amortised cost (c)	12,717	11,620	12,723	11,607

(a) Includes investment assets.

(b) Includes cash, trades debtors and other debtors.

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

Impairment losses of £70,000 were charged to financial assets measured at amortised cost in the year (2017: £75,000).

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 £000
Charity				
Restricted funds (note 19b)	-	521	-	521
Unrestricted funds (note 19c)	31,488	(4,886)	(4,152)	22,450
Total charity funds	31,488	(4,365)	(4,152)	22,971
Consolidated				
Endowment funds (note 19a)	1,715	-	-	1,715
Restricted funds (note 19b)	384	9	-	393
Unrestricted funds (note 19c)	3,033	70	-	3,103
Trading subsidiary reserves	-	(26)	-	(26)
Total group funds	36,620	(4,312)	(4,152)	28,156

	Fixed Assets £000	Net Current Assets/ (Liabilities) £000	Long Term Liabilities £000	Balance 31 August 2017 £000
Charity				
Restricted funds	-	316	-	316
Unrestricted funds	31,059	(4,277)	(4,067)	22,715
Total charity funds	31,059	(3,961)	(4,067)	23,031
Consolidated				
Endowment funds	1,596	-	-	1,596
Restricted funds	353	5	-	358
Unrestricted funds	3,093	49	-	3,142
Trading Subsidiary Reserves	-	18	-	18
Total group funds	36,101	(3,889)	(4,067)	28,145

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18a. ENDOWMENT FUNDS

	<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
Consolidated					
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>

	<i>Balance 1 September 2016</i>	<i>Movement in resources</i>			<i>Balance 31 August 2017</i>
		<i>Income</i>	<i>Expenditure</i>	<i>Investment Gains</i>	
	£000	£000	£000	£000	£000
Consolidated					
Odell Bequest Fund	8	-	-	-	8
Anderson Prize	8	-	-	1	9
Duesbury-Bowes Fund	18	-	-	2	20
Lt. Col John Wilson Scholarship Fund	325	-	-	34	359
Dewar Memorial Fund	22	-	-	3	25
BAF Smith Sports Scholarship Fund	156	-	-	11	167
Anna Haefeli Scholarship Fund	164	-	-	17	181
Endowment Fund	428	-	-	61	489
Mehra Scholarship	172	-	-	18	190
Scholarship Funds	118	-	-	13	131
Prize Funds	15	-	-	2	17
	<u>1,434</u>	<u>-</u>	<u>-</u>	<u>162</u>	<u>1,596</u>

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 2017 £000	Income £000	Expenditure £000	Investment Gains £000	Transfers £000	Balance 31 August 2018 £000
Charity						
Oakham School						
Foundation Fund	279	318	(113)	-	-	484
Other Donations	27	-	-	-	-	27
Scholarship Fund	10	-	-	-	-	10
	316	318	(113)	-	-	521
Consolidated						
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
	674	354	(123)	9	-	914

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	<i>Balance 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Investment Gains £000</i>	<i>Transfers £000</i>	Balance 31 August 2017 £000
Charity						
Oakham School Foundation Fund	250	79	(50)	-	-	279
Other Donations	27	-	-	-	-	27
Scholarship Fund	10	-	-	-	-	10
	<u>287</u>	<u>79</u>	<u>(50)</u>	<u>-</u>	<u>-</u>	316
 Consolidated						
Odell Bequest Fund	6	-	-	-	-	6
Anderson Prize	4	1	-	-	-	5
Duesbury-Bowes Fund	5	1	-	-	-	6
Lt. Col John Wilson Scholarship Fund	155	12	(10)	-	-	157
Dewar Memorial Fund	7	1	-	-	-	8
BAF Smith Sports Scholarship Fund	2	-	-	-	-	2
Anna Haefeli Scholarship Fund	3	6	(9)	-	-	-
Endowment Fund	1	-	-	-	-	1
Mehra Scholarship	12	6	-	-	-	18
Scholarship Funds	134	8	-	12	-	154
Prize Funds	1	-	-	-	-	1
	<u>617</u>	<u>114</u>	<u>(69)</u>	<u>12</u>	<u>-</u>	674

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.

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18c. UNRESTRICTED FUNDS

	<i>Balance 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Investment Gains</i>	<i>Transfers</i>	<i>Balance 31 August 2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Parent Charity						
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
Consolidated						
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>

OAKHAM SCHOOL
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	<i>Balance 1 September 2016</i>	Income	Expenditure	Investment Gains	Transfers	Balance 31 August 2017
	<i>£000</i>	£000	£000	£000	£000	£000
Parent Charity						
General fund	-	26,483	(25,764)	-	(719)	-
Fixed asset fund	<u>21,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865</u>	<u>22,715</u>
Total charity funds	21,850	26,483	(25,764)	-	146	22,715
Consolidated						
Trading subsidiary reserves	18	808	(768)	-	(40)	18
Mandy Barnett Memorial Fund	172	6	(10)	13	-	181
Foseco Award	93	3	-	7	-	103
Rutland Scholarship	482	17	(28)	35	-	506
Humphrey Wanstall Bequest Fund	380	13	-	28	-	421
Quatercentenary Scholarship Fund	1,509	53	(129)	111	-	1,544
Foreman Scholarship	110	3	-	8	-	121
General fund (land)	106	-	-	-	(106)	-
Discretionary Fund	233	-	-	33	-	266
	<u>24,953</u>	<u>27,386</u>	<u>(26,699)</u>	<u>235</u>	<u>-</u>	<u>25,875</u>

19. CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for at the balance sheet date amounted to £nil (2017: £443,000) for building projects and £nil (2017: £26,000) 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 £1,394,549 (2017: £1,356,399) and at the year-end £111,705 (2017: £107,712) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

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

The Independent Schools' Pension Scheme

From March 2012 until the end of January 2017, 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 £158,770 were paid in the five months to January 2017 based on a long-term contribution rate of 14.1%.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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The last formal valuation of the Scheme was performed as at 30 September 2014 by a professionally qualified actuary using the 'Projected Unit' Method. The market value of the Scheme's assets at the valuation date was £110.0 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £37.4 million, equivalent to a past service funding level of 75%.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £37.4 million would be dealt with by the payment of deficit contributions from 1 September 2017 to 31 August 2029. The level of deficit contribution in the first year will be £2.341 million and this will rise by 3% per annum.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029.

Oakham School has no share in this liability until the publication of the next Triennial Valuation as at 30 September 2017. Following such publication, Oakham School will be required to contribute towards the reduction of any continuing shortfall as determined by the Scheme Trustee. Such contributions will commence in September 2019.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

Oakham School has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme, based on the financial position of the scheme as at 30 September 2014. At this date the estimated employer debt for Oakham School was £1,745,420. The cessation of the School's participation in the Defined Benefit section of The Independent Schools' Pension Scheme did not represent an event triggering the employer debt. This is because the School's participation transferred to the Defined Contribution element of the same scheme.

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 £379,688 (2017: £229,095).

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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21. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE

Year ended 31 August 2017	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds £'000
Income and endowments from:				
Charitable activities				
School fees receivable	23,232	-	-	23,232
Ancillary trading income	3,071	-	-	3,071
Other Trading Activities				
Non-ancillary trading income	808	-	-	808
Investments				
Investment income	166	35	-	201
Bank and other interest	3	-	-	3
Voluntary Sources				
Donations and legacies	-	79	-	79
Other Income				
Profit on sale of assets	241	-	-	241
TOTAL INCOME	<u>27,521</u>	<u>114</u>	<u>-</u>	<u>27,635</u>
Expenditure on				
Costs of generating funds				
Non-ancillary trading	577	-	-	577
Financing costs	72	-	-	72
Fundraising & development	251	-	-	251
	<u>900</u>	<u>-</u>	<u>-</u>	<u>900</u>
Charitable activities				
Schools and grant making	<u>25,934</u>	<u>69</u>	<u>-</u>	<u>26,003</u>
Total expenditure	<u>26,834</u>	<u>69</u>	<u>-</u>	<u>26,903</u>
Net Income from operations before transfers and investment gains carried forward	<u>687</u>	<u>45</u>	<u>-</u>	<u>732</u>

OAKHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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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	687	45	-	732
Transfer	-	-	-	-
Unrealised gains on Investment assets	235	12	162	409
NET MOVEMENT IN FUNDS	922	57	162	1,141

22. CONTROL

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

