

REGISTERED COMPANY NUMBER: 01157590 (England and Wales)
REGISTERED CHARITY NUMBER: 532262

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
FOR
HIGHFIELD PRIORY SCHOOL LIMITED**

Rushtons
Chartered Accountants
Statutory Auditors
Shorrock House
1 Faraday Court
Fulwood
Preston
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PR2 9NB

HIGHFIELD PRIORY SCHOOL LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Board of Governors present their annual report and the audited financial statements for the year ended 31 August 2022. All Governors of the school are Directors and Trustees of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Principal Activities

The Company's principal activity during the year continued to be that of a registered charity (number: 532262) operating as a school. The school was founded in 1940.

Objectives and activities

The object for which the Company is established (as set out in the Memorandum of Association) is the advancement of education for both boys and girls of all sections of the community, and in connection therewith to conduct and carry on a school in which they may receive a sound general education.

The Governors and Senior Management Team of Highfield Priory School ("Highfield") developed the long term strategy, together with operating plans to achieve the aims, to provide strategic direction and to set out where it plans to carry out actions and allocate resources to achieve its vision and deliver its strategic goals, with due consideration to the general guidance on public benefit required by the Charity Commission.

Provision of bursaries

The Governors of Highfield Priory Independent Day School and Nursery are committed to broadening access to the School by offering to eligible parents/guardians means-tested financial support with the payment of schools fees to enable their child to benefit from the experience of the wonderful teaching, learning and life lessons here in our warm, friendly and family orientated school. Such support is known as a bursary.

Working in the wider community

By supporting and participating in activities in the wider community, the benefit to the public is that, if the school did not participate and support these events, they may not be viable which would be detrimental to the public.

Highfield Priory promotes opportunities for continuing professional development and provides supportive performance management and subsequently ensures that all members of staff benefit from an effective training and skills development programme.

The school actively nurtures a sense of benevolence, social responsibility, and community spirit in the children, which will stay with them throughout the rest of their lives. By developing this sense, the children are enthusiastic about engaging in activities which will benefit the community for example supporting specialist charity days and visiting the local old people's home to sing for the residents. Consequently, the beneficiaries are people who receive support from local charities and members of our local community.

The school actively promotes and welcomes the sharing of its facilities and resources to provide benefit to community sports groups, providers of holiday and after school care activities, local children, adults, and various other organisations.

The school provides direct employment to local people and indirect employment by utilising local suppliers and contractors.

**REPORT OF THE TRUSTEES
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It demonstrates a commitment to provide the widest possible access to the school and not be selective based on gender, geography, social, cultural, ethnic religious background and intellectual ability. Through this commitment the school can benefit children and adults from all sectors of the community.

The school continues to improve and develop its facilities and systems thereby providing a safe and well-maintained environment for the benefit of the school community. By committing to this aim the school can benefit pupils, staff, parents, local contractors, and any one either using the school's facilities or visiting the school.

Although the building does not have "listed" status the trustees ensure that all additions and alterations are made in the most environmentally friendly way and are sympathetic to the existing environment, to the benefits of everyone using the school and the neighbours of the school.

Aims and intended impact of charitable activities

The main purpose of the charity is to provide an environment in which each child can develop their talents and aspirations encouraging them to develop to their full potential. The School achieves this by providing an excellent standard of teaching, superb facilities, and a wide range of intellectual, cultural and physical opportunities. A central feature in the school's ethos is that each child when they leave school should make a positive contribution to society and consequently the School has developed strong links with the local community.

More specifically the charity aims to:

- Provide a high-quality education which is tailored to individual pupils' needs.
- Develop a respect for cultural diversity and tolerance for the beliefs of others.
- Provide a wide curriculum and extra curriculum to ensure that the maximum potential of each pupil is achieved.
- Ensure a secure level of self-confidence, integrity, good moral judgment and a consideration for others.
- Create a community within the school where all members are fully involved and to develop excellent relationships between trustees, parents, pupils, staff and former pupils. Enabling our community to foster links with and make a positive contribution to the wider community, locally, nationally and internationally.
- Promote and facilitate the sharing of best practice and knowledge transfer.
- Develop leadership and teamwork skills and ensure that the children have a sense of pride in their achievements.
- Support and participate in activities within the wider community.
- Promote opportunities for continuing professional development and provide supportive performance management.
- Develop a sense of benevolence, social responsibility and community spirit which will stay with them throughout the rest of their lives.
- Promote and facilitate the sharing of facilities and resources.
- Contribute to and support the development of the local economy.
- Demonstrate commitment to the widest possible access to the school and not be selective based on gender, social, geography, cultural, ethnic religious background and intellectual ability.
- Continue to improve and develop its facilities and systems thereby providing a safe and well-maintained environment for the benefit of the community.
- To preserve the building and environment around the school in an appropriate and sympathetic matter.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Main objectives for the year

The main objectives for the year were:

- To continue to provide a good quality education by providing the best possible facilities and resources from which pupils could learn.
- To obtain good quality training for all staff to enable them to carry out their duties as proficiently and effectively as possible.
- To prepare pupils for each stage throughout Highfield Priory School so that they may confidently go onwards to the senior school of their choice.

Strategies adopted to achieve objectives

- Continuous improvement of the facilities used to teach the children.
- Provide the best possible education and practice mock examination papers for entrance exams.
- Provide a family-orientated atmosphere where children are encouraged to think for themselves, ask questions and explore their ideas within a supportive environment.

Achievements and performance

The academic year 2021/22 started with the announcement that Highfield Priory School was ranked 5th = Independent Preparatory School in the country by The Sunday Times and first in the North West. This is the highest position the school has achieved on record. The school has now held a top thirty position for the last eleven years. This level of consistency has only been achieved by three other schools in the country and the school was delighted to receive this recognition for our hard-working pupils, staff and parents.

Our Year Six has, once again, achieved excellent results 14 children passed the Grammar School Examination, 5 achieved a scholarship and all children who took entrance examinations were accepted by their chosen Independent School.

Highfield has presented four theatrical productions across the school this year: the Infant Nativity, Year 4's production of the Wizard of Oz, which also involved children from Reception to Year 6, the Year 3 and 5 production of The Tempest and our end of Year 6 performance of Go for Goal. The children's dramatic pursuits continue to instil in them a natural confidence and self-belief which has a positive effect on all their endeavours.

The School's Musical Assemblies and Concerts throughout the year have charted the Junior children's progress on an array of instruments and we have watched them perform as accomplished musicians and choristers who are inspiring future generations at Highfield.

In the summer, a large group of children travelled to Manor Adventure in Shropshire and enjoyed a weekend of adventurous activity. The teamwork and leadership skills learnt were incredibly valuable and the trip was a real highlight of the year for the children.

At our annual Prize Giving, we also said goodbye to our Year Six. We know we have given them the very best start in life at Highfield and we need only look at some of our recent Alumni to see where a start at Highfield can take them. Three of our former pupils have finished their time as leaders of their school at LRGS, Bolton and Preston Girls Muslim School and another Highfield pupil is about to take her place as the Head Girl at Clitheroe Grammar School. In the field of sport this year, former pupil, James Hill, has been signed to play for Bournemouth, in the Premiership Division, and has played for England Under 20s. In the Performing Arts, former pupil, Daniel Dable, has just won a place in the National Youth Jazz Collective and the National Youth Theatre this summer.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

It is not just our past pupils who are achieving great things. Naina in Year 5 is performing as the Number One in the country for Tennis. Naina, Aibhlin and Samira qualified to take part in National Athletics and Swimming events in which they represented the North of England. Melissa, in Year 4 has been accepted on the Junior Development Program with the Northern Ballet in Leeds. And Imogen, also in Year 4, came 3rd nationally in her age group for Artistic Swimming.

Highfield Priory School and Nursery continues to thrive and the school will be looking to continue to build on the fantastic achievements of our current children in the years to come.

Developments

The Governors are committed to the ongoing improvement of pupil development, safety and school facilities. The main focus of investment continues to centre on the provision of first class learning and teaching facilities. We continued to improve the security of the buildings and grounds and develop the capability of our staff.

Unfortunately, after the financial year-end the nursery at Highfield suffered a destructive arson attack, which was a devastating time to both the staff and pupils. Despite this, we are grateful that no one was hurt in the incident, and we extend our gratitude to everyone who offered support during this challenging time. Fortunately, the day-to-day running of the nursery has not been affected as they have been relocated to the main school building, ensuring that the children's care and education can continue without interruption.

Moving forward, we plan to design and build a bespoke nursery facility over the coming years. The Governors are taking this as an opportunity to enhance the nursery facilities to provide a more integrated early years' experience for the children.

Financial review

The results for the year are set out in the Statement of Financial Activities on page 13.

Income shows an increase to £1,838,924. We have managed to maintain consistent pupil numbers and termly fees being held at a competitive level. Maintaining fees at a competitive level ensures that as many pupils as possible can access the school, whilst ensuring that the best teaching resources and learning environment are provided.

The overall results show a surplus of £48,862. The School Business Manager maintains a strong cash and working capital position with no bank overdraft or loans outstanding at the year end.

Reserves Policy

The Governors regularly review the finances, budgets and spend against budget together with cash flow analysis as part of the effective stewardship of the School.

In common with other independent schools, the Governors have invested substantial sums in the School buildings and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. As shown in note 14 to the accounts, the school has free reserves of £262,864 supported by available cash which will be utilised for future enhancements to facilities and to support committed bursary places through those pupil's time at Highfield. The high proportion of designated funds illustrates the extent of the investment in our School, in line with the capital investment plans. The Governors are comfortable with the reserves position given the stability of cash flows from fee income, the ongoing popularity of the School and the available banking facilities

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Governors recognise that the level of reserves fluctuates during periods of significant investment in the School and continually monitor the availability of free cash flows and available banking facilities to manage the School's needs.

Investment Policy

The Board aims to safeguard its funds and ensure sufficient availability of liquid resources to meet the day to day needs of the School. The School does not hold any monetary investments.

Risk Management

The Governors have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Governors examine the major risks that the school faces each financial year when preparing and updating the annual budgets and strategic plan. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the school in the future.

The major risks faced by the charity are considered to be:-

Financial sustainability

The school is at risk from economic factors which may impact on the affordability of fees. The Governors also seek to ensure that fees are retained at a level which maximises the accessibility of the education provided at Highfield Priory whilst also ensuring that reserves are available to maintain and develop facilities at the school. A prudent approach to budgeting is adopted each year and performance is monitored throughout the year.

Safeguarding and welfare

The safety of pupils is a significant risk in any school environment. A separate committee is in place which reviews all elements of safeguarding and ensures that training is in place for all staff and Governors.

ISI Inspection

The risk of non-compliance and failing to meet standards as a result of an ISI inspection are managed by the establishment and continuous review of robust policies and procedures.

Academic Results

The risk of a deterioration in the excellent results achieved by the school is managed by continuous review of provision and results by both staff and Governors. The academic progress of each pupil is monitored as part of their overall development.

Risks within the market or industry sector

The school faces the risk of losing the accolades and awards of academic excellence, it has always achieved in past years. There is always the concern that parents may move the younger child of an older sibling when he/she goes to senior school. Competition is strong, both in the industry sector and in the local geographic area. There is a risk of the demographic changing as mobility of populations is so volatile. The School has also considered the effects of proposed new housing developments. It is uncertain as to whether population growth will avail it of a wider admission base or if it will have an adverse effect.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Plans for future periods

The Governors have strategic and operating plans that are regularly reviewed. At the core of the plans is the key objective to continue to provide a good quality education to the pupils at Highfield Priory School by investing in the facilities and resources required to do so.

Structure, governance and management

Highfield Priory School Ltd is a charitable company limited by shares. The charity is governed by the company's Memorandum and Article of Association and regulated by the Companies Act 2006 and the Charity Commission for England and Wales. The maximum number of governors is thirteen. All governors of the school are directors and trustees of the charity.

The number of current governors is ten, consisting of two governors who are parents of children at the school and eight co-opted governors. Governors are appointed by the Board on recommendation from a nominations committee.

Governors are recruited and appointed based on specialist skills, personal competence, eligibility and availability to serve the school.

All of the Governors of the School are Directors and Trustees of the charity.

The directors who held office during the year and since the year end are detailed below: -

Name of director	Office held in year	Committees attended
D Whitman	Chair of Governors, Chair of Strategic Committee	AUD, STR, FGP
E M S Ahmed	Vice Chair of Governors	STR
S Moylon (appointed 1 February 2022)	Chair of H&S Committee	AUD, STR, HS
W R Garment		STR, FGP
B R Hall		STR, FGP
M Illsley (appointed 1 July 2018)		AUD, STR, FGP
N Mason	Chair of FGP Committee	AUD, STR, FGP
J A T Nairn	Chair of Safeguarding & Child Protection	AUD, EDU, STR, SCP
D Patel-Smith (appointed 27 April 2017)		STR
J R Wood	Chair of Audit & Compliance Committee, Chair of Education Committee	AUD, STR, EDU

Governors are inducted into the workings of the school and of its legal status of a limited company and as a registered charity. The induction includes familiarisation of all policy and procedures. The induction documentation contains the Memorandum and Articles of Association, the last two years' final accounts, the latest management accounts, previous minutes, information on the role of a school governor and charity commission publications regarding the responsibilities of a trustee and Terms of Reference for sub-committees. The Chairman, fellow Governors, Headmaster and School Business Manager provide ongoing support.

The day-to-day management of the Charity is delegated to the Headmaster, who attends the governors' meetings.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The governors meet three times per year to determine the general policy and review its overall controls and management structure. There are sub-committees covering Audit and Compliance, Strategic Planning, Finance and General Purposes, Safeguarding and Child Protection, Health and Safety and Education. Objectives for each Committee are set at the start of the year as part of a wider review of the strategy of the charity.

The committees to which the Governors are appointed are indicated above, as identified using the key shown below:

AUD	Audit and Compliance
STR	Strategic Committee
SCP	Safeguarding and Child Protection
FGP	Finance and General Purposes Committee (Inc. Marketing)
HS	Health & Safety
EDU	Education Committee

Sub-committees are chaired by a governor and other members of the governing body, the Senior Management Team and other school employees.

Key management personnel

The Governors, together with the Headmaster, the School Business Manager and the Senior Management Team comprise the Key Management Personnel (see note 15 to the accounts). The Governors volunteer their time and do not receive any remuneration or benefit in consideration of the time given. The pay and remuneration of the Head and senior staff is determined by the Pay Review Committee under the terms of the Pay Policy, which aims to set out the framework for making decisions on the pay for all school staff, not just senior leaders. It has been developed to meet the aims the school taking into consideration that it is an independent school which is susceptible to political and economic external influences outside its control, the school aims to offer attractive salaries and pay progression, when compared with the education and educational support sector generally to support recruitment and retention and ensure accountability, transparency, objectivity and equality of opportunity.

Statement of trustees' responsibilities

The trustees, who are also the directors of Highfield Priory School Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Auditor

Rushtons have been appointed as the school's auditors for the second consecutive year.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on21/03/2023..... and signed on the board's behalf by:



N Mason

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

Opinion

We have audited the financial statements of Highfield Priory School Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance.
- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies and Environmental laws and regulations pertaining to this industry.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading available minutes of meetings of those charged with governance; and
- Testing journal entries to identify unusual transactions.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HIGHFIELD PRIORY SCHOOL LIMITED**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Adam Calvert ACA (Senior Statutory Auditor)
for and on behalf of Rushtons
Chartered Accountants
Statutory Auditors
Shorrock House
1 Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB

Date:

HIGHFIELD PRIORY SCHOOL LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	5	1,804,290	4,619	1,808,909	1,794,219
Other trading activities	3	29,662	-	29,662	15,946
Investment income	4	140	-	140	30
Other income		<u>213</u>	<u>-</u>	<u>213</u>	<u>21,820</u>
Total		<u>1,834,305</u>	<u>4,619</u>	<u>1,838,924</u>	<u>1,832,015</u>
EXPENDITURE ON					
Charitable activities	6	<u>1,784,505</u>	<u>5,557</u>	<u>1,790,062</u>	<u>1,759,496</u>
NET INCOME/(EXPENDITURE)		49,800	(938)	48,862	72,519
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,511,504</u>	<u>12,575</u>	<u>1,524,079</u>	<u>1,451,560</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,561,304</u></u>	<u><u>11,637</u></u>	<u><u>1,572,941</u></u>	<u><u>1,524,079</u></u>

The notes form part of these financial statements

HIGHFIELD PRIORY SCHOOL LIMITED (REGISTERED NUMBER: 01157590)

**BALANCE SHEET
31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	1,285,820	-	1,285,820	1,341,666
CURRENT ASSETS					
Debtors	12	43,484	-	43,484	47,235
Cash at bank and in hand		<u>466,897</u>	<u>11,637</u>	<u>478,534</u>	<u>408,156</u>
		510,381	11,637	522,018	455,391
CREDITORS					
Amounts falling due within one year	13	(234,897)	-	(234,897)	(272,978)
		<u>275,484</u>	<u>11,637</u>	<u>287,121</u>	<u>182,413</u>
NET CURRENT ASSETS					
		<u>275,484</u>	<u>11,637</u>	<u>287,121</u>	<u>182,413</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,561,304</u>	<u>11,637</u>	<u>1,572,941</u>	<u>1,524,079</u>
NET ASSETS					
		<u><u>1,561,304</u></u>	<u><u>11,637</u></u>	<u><u>1,572,941</u></u>	<u><u>1,524,079</u></u>
FUNDS					
Share capital	16			13	13
Unrestricted funds	14			1,561,304	1,511,504
Restricted funds	14			<u>11,637</u>	<u>12,575</u>
TOTAL FUNDS					
				<u><u>1,572,954</u></u>	<u><u>1,524,092</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
D Whitman - Trustee

The notes form part of these financial statements

HIGHFIELD PRIORY SCHOOL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

Notes	2022 £	2021 £
Cash flows from operating activities		
Cash generated from operations 1	<u>93,934</u>	<u>159,010</u>
Net cash provided by operating activities	<u>93,934</u>	<u>159,010</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(23,696)	(102,905)
Sale of tangible fixed assets	-	4,149
Interest received	<u>140</u>	<u>30</u>
Net cash used in investing activities	<u>(23,556)</u>	<u>(98,726)</u>
Cash flows from financing activities		
Loan repayments in year	<u>-</u>	<u>(50,000)</u>
Net cash provided by/(used in) financing activities	<u>-</u>	<u>(50,000)</u>
Change in cash and cash equivalents in the reporting period	70,378	10,284
Cash and cash equivalents at the beginning of the reporting period	<u>408,169</u>	<u>397,885</u>
Cash and cash equivalents at the end of the reporting period	<u>478,547</u>	<u>408,169</u>

The notes form part of these financial statements

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	48,862	72,519
Adjustments for:		
Depreciation charges	79,542	80,873
Interest received	(140)	(30)
Decrease in debtors	3,751	8,948
Decrease in creditors	<u>(38,081)</u>	<u>(3,300)</u>
Net cash provided by operations	<u><u>93,934</u></u>	<u><u>159,010</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank and in hand	<u>408,169</u>	<u>70,378</u>	<u>478,547</u>
	<u>408,169</u>	<u>70,378</u>	<u>478,547</u>
Total	<u><u>408,169</u></u>	<u><u>70,378</u></u>	<u><u>478,547</u></u>

The notes form part of these financial statements

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. CHARITY INFORMATION

Highfield Priory School Limited is a private company limited by shares incorporated in England and Wales. The registered office is 58 Fulwood Row, Fulwood, Preston, Lancashire, PR2 5RW.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income from charitable activities comprises school fees, net of bursaries, and related receipts, accounted for in the period in which the service is provided. Fees for education to be provided in the next academic year, are carried forward as deferred income in the balance sheet.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Voluntary income including, gifts and donations received for the general purposes of the charity are included in unrestricted funds when received. Where these comprise of donated fixed assets, they are included at market value.

Investment income is recognised on a receivable basis.

Expenditure

Expenditure is accounted for on an accruals basis, including VAT which cannot be recovered.

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

Support costs and governance costs have been allocated to the charitable activities as there is only one main activity undertaken by the charity.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Only items over £150 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Nil
Freehold properties	1-10% Straight line
Furniture and equipment	15% Reducing balance
IT equipment	25% Straight line
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Taxation

The school is a registered charity and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Cash at bank

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charity only had financial assets (debtors, cash and bank balances) and financial liabilities (creditors and accruals) of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension scheme

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at the rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. Therefore, in accordance with FRS102 the scheme is accounted for as a defined contribution scheme (see note 19).

The Charity also contributes to defined contribution individual personal pension schemes for certain non-teaching staff at 5%-7.5% of annual basic pay. Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

Leases

Rentals payable charged to the Statement of Financial Activities as incurred over the term of the lease.

Irrecoverable VAT

The charity is not registered for Value Added Tax and accordingly expenditure is shown including irrecoverable Value Added Tax.

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Hire of school and hall	4,504	866
Other receipts	<u>25,158</u>	<u>15,080</u>
	<u>29,662</u>	<u>15,946</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Interest receivable	<u>140</u>	<u>30</u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

5. INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Gross fees	1,825,521	1,803,932
Less: bursaries	<u>(16,612)</u>	<u>(9,713)</u>
	<u>1,808,909</u>	<u>1,794,219</u>
Analysis by fund:		
Unrestricted funds	1,804,290	1,792,056
Restricted funds	<u>4,619</u>	<u>2,163</u>
	<u>1,808,909</u>	<u>1,794,219</u>

6. CHARITABLE ACTIVITIES COSTS

	2022 £	2021 £
Teaching costs, books and school meals	1,095,806	1,136,988
Non-teaching staff costs	328,980	309,585
Premises expenses	278,033	222,143
Depreciation	79,542	80,873
Governance costs	<u>7,701</u>	<u>9,907</u>
	<u>1,790,062</u>	<u>1,759,496</u>
Analysis by fund:		
Unrestricted funds	1,784,505	1,756,200
Restricted funds	<u>5,557</u>	<u>3,296</u>
	<u>1,790,062</u>	<u>1,759,496</u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	<u>79,542</u>	<u>80,873</u>

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
General	1,792,056	2,163	1,794,219
Other trading activities	15,946	-	15,946
Investment income	30	-	30
Other income	<u>21,820</u>	<u>-</u>	<u>21,820</u>
Total	<u>1,829,852</u>	<u>2,163</u>	<u>1,832,015</u>
 EXPENDITURE ON			
Charitable activities			
General	<u>1,756,200</u>	<u>3,296</u>	<u>1,759,496</u>
NET INCOME/(EXPENDITURE)	73,652	(1,133)	72,519
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,437,852</u>	<u>13,708</u>	<u>1,451,560</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,511,504</u>	<u>12,575</u>	<u>1,524,079</u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

9. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2022 £	2021 £
Audit services	4,500	5,300
Other services	<u>3,201</u>	<u>4,607</u>
	<u><u>7,701</u></u>	<u><u>9,907</u></u>

10. EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teachers and Assistants	36	39
Administration	5	5
Domestic	<u>10</u>	<u>10</u>
	<u><u>51</u></u>	<u><u>54</u></u>

Employment costs

	2022 £	2021 £
Wages and salaries	1,078,076	1,112,873
Social security costs	91,012	91,495
Other pension costs	<u>158,411</u>	<u>168,168</u>
	<u><u>1,327,499</u></u>	<u><u>1,372,536</u></u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
80,001 - 90,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2020: 1) has retirement benefits accruing under defined benefit pension schemes.

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Totals £
COST					
At 1 September 2021	1,779,744	277,493	621,824	22,053	2,701,114
Additions	<u>11,487</u>	<u>-</u>	<u>12,209</u>	<u>-</u>	<u>23,696</u>
At 31 August 2022	<u>1,791,231</u>	<u>277,493</u>	<u>634,033</u>	<u>22,053</u>	<u>2,724,810</u>
DEPRECIATION					
At 1 September 2021	753,605	111,054	472,900	21,889	1,359,448
Charge for year	<u>34,130</u>	<u>18,509</u>	<u>26,862</u>	<u>41</u>	<u>79,542</u>
At 31 August 2022	<u>787,735</u>	<u>129,563</u>	<u>499,762</u>	<u>21,930</u>	<u>1,438,990</u>
NET BOOK VALUE					
At 31 August 2022	<u>1,003,496</u>	<u>147,930</u>	<u>134,271</u>	<u>123</u>	<u>1,285,820</u>
At 31 August 2021	<u>1,026,139</u>	<u>166,439</u>	<u>148,924</u>	<u>164</u>	<u>1,341,666</u>

The cost of land and buildings include an amount of £64,917 (2021: £64,917) relating to the cost of land which is not depreciated.

Although there are no bank borrowings at the year end, the bank have a first legal charge over the school and nursery buildings for the agreed overdraft facility.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	6,190	12,170
Other debtors	113	113
Prepayments	<u>37,181</u>	<u>34,952</u>
	<u>43,484</u>	<u>47,235</u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	18,474	55,001
Social security and other taxes	20,704	21,725
Other creditors	4,908	-
Fees received in advance	123,346	137,070
Accruals and deferred income	<u>67,465</u>	<u>59,182</u>
	<u>234,897</u>	<u>272,978</u>

14. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	Transfers between funds	At 31.8.22
	£	£	£	£
Unrestricted funds				
General fund	140,606	145,954	(23,696)	262,864
Property Asset Fund	1,341,666	(79,542)	23,696	1,285,820
Bursary Fund	<u>29,232</u>	<u>(16,612)</u>	<u>-</u>	<u>12,620</u>
	1,511,504	49,800	-	1,561,304
Restricted funds				
AEN Early Years Funding	<u>12,575</u>	<u>(938)</u>	<u>-</u>	<u>11,637</u>
	<u>12,575</u>	<u>(938)</u>	<u>-</u>	<u>11,637</u>
TOTAL FUNDS	<u>1,524,079</u>	<u>48,862</u>	<u>-</u>	<u>1,572,941</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,850,917	(1,704,963)	145,954
Property Asset Fund	-	(79,542)	(79,542)
Bursary Fund	<u>(16,612)</u>	<u>-</u>	<u>(16,612)</u>
	1,834,305	(1,784,505)	49,800
Restricted funds			
AEN Early Years Funding	<u>4,619</u>	<u>(5,557)</u>	<u>(938)</u>
TOTAL FUNDS	<u>1,838,924</u>	<u>(1,790,062)</u>	<u>48,862</u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	85,532	168,144	(113,070)	140,606
Property Asset Fund	1,323,784	(84,779)	102,661	1,341,666
Bursary Fund	<u>28,536</u>	<u>(9,713)</u>	<u>10,409</u>	<u>29,232</u>
	1,437,852	73,652	-	1,511,504
Restricted funds				
AEN Early Years Funding	<u>13,708</u>	<u>(1,133)</u>	<u>-</u>	<u>12,575</u>
	<u>13,708</u>	<u>(1,133)</u>	<u>-</u>	<u>12,575</u>
TOTAL FUNDS	<u><u>1,451,560</u></u>	<u><u>72,519</u></u>	<u><u>-</u></u>	<u><u>1,524,079</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,839,565	(1,671,421)	168,144
Property Asset Fund	-	(84,779)	(84,779)
Bursary Fund	<u>(9,713)</u>	<u>-</u>	<u>(9,713)</u>
	1,829,852	(1,756,200)	73,652
Restricted funds			
AEN Early Years Funding	<u>2,163</u>	<u>(3,296)</u>	<u>(1,133)</u>
TOTAL FUNDS	<u><u>1,832,015</u></u>	<u><u>(1,759,496)</u></u>	<u><u>72,519</u></u>

HIGHFIELD PRIORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	85,532	314,098	(136,766)	262,864
Property Asset Fund	1,323,784	(164,321)	126,357	1,285,820
Bursary Fund	28,536	(26,325)	10,409	12,620
	<u>1,437,852</u>	<u>123,452</u>	<u>-</u>	<u>1,561,304</u>
Restricted funds				
AEN Early Years Funding	13,708	(2,071)	-	11,637
	<u>13,708</u>	<u>(2,071)</u>	<u>-</u>	<u>11,637</u>
TOTAL FUNDS	<u>1,451,560</u>	<u>121,381</u>	<u>-</u>	<u>1,572,941</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,690,482	(3,376,384)	314,098
Property Asset Fund	-	(164,321)	(164,321)
Bursary Fund	(26,325)	-	(26,325)
	<u>3,664,157</u>	<u>(3,540,705)</u>	<u>123,452</u>
Restricted funds			
AEN Early Years Funding	6,782	(8,853)	(2,071)
	<u>6,782</u>	<u>(8,853)</u>	<u>(2,071)</u>
TOTAL FUNDS	<u>3,670,939</u>	<u>(3,549,558)</u>	<u>121,381</u>

Unrestricted funds

The general fund is the free reserves of the charity after allowing for all designated funds.

The property asset fund is represented by monies spent on the tangible fixed assets of the charity (note 11).

The transfer of £23,696 (2021: £102,661) from the free reserves represents the funds spent on fixed assets in the current year.

The resources expended of £79,542 (2021: £84,779) represents the depreciation charges and losses on disposal in the current year.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

14. MOVEMENT IN FUNDS - continued

The bursary fund represents monies designated and set aside to meet the future costs of the bursaries for existing pupils.

Restricted funds

The AEN fund is monies received to support certain children. Any unused funds are carried forward to future years.

15. RELATED PARTY DISCLOSURES

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2022 £	2021 £
Aggregate compensation	<u>290,889</u>	<u>290,766</u>

Benjamin Hall, trustee, is a director of Signs Express Limited who supplied signs to the school at a cost of £4,452 (2021: £2,485).

One governor received travel expenses totalling £221 during the year (2021: £111). No other governors or persons connected to them received any remuneration, and were not reimbursed for any expenses in this or the previous year.

During the year insurance premiums of £1,663 (2021: £664) were paid by the school in respect of indemnity insurance for the Governors.

16. SHARE CAPITAL

	2022 £	2021 £
Authorised 13 Ordinary shares of £1 each	<u>13</u>	<u>13</u>

All the assets are held for charitable purposes and cannot be distributed to the members. Should the company be wound up or dissolved, the assets have to be transferred to another charity with similar objects and which also prohibits the distribution of any income or property to it's member.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

17. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Natwest hold a letter of set off over credit balances by Highfield Priory School Parents Association allowing the bank to set off the credit balances of the Parents Association account with the debit balances of Highfield Priory School Limited, although there has been no such credit balances to set off during the year.

18. OPERATING LEASE COMMITMENTS

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, mainly in respect of the sports field which fall due as follows:

	2022 £	2021 £
Within one year	3,071	3,071
Between two and five years	7,751	10,342
In over five years	<u>17,400</u>	<u>17,880</u>
	<u>28,222</u>	<u>31,293</u>

19. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension scheme charge for the year included contributions payable to the TPS of £146,623 (2021: £155,047) and at the year end £15,820 (2021: £15,430) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits scheme governed by The Teachers' Pension 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 valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 23.60% from 1 September 2019. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%. This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2020. At the time of preparing this report, the actuarial valuation was not available.

The charity also runs a scheme for certain non-teaching staff, which is a defined contributions scheme managed by Complete Pension Trust. The cost for the year represents the Charity's contributions to that scheme of £11,788 (2021: £13,120).

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

20. SUBSEQUENT EVENTS

After the financial year-end, the nursery building at Highfield experienced a devastating arson attack. The nursery has been relocated to the main school building, and the day-to-day operations have resumed without any disruptions, ensuring that the income from the nursery fees has not been impacted.

The costs arising from the fire are expected to be recovered by insurers. It is anticipated that Highfield's financial position will not be affected.