

Highfield Priory School Limited

Directors' Report and
Financial Statements

For the Year Ended 31 August 2016

Montpelier Audit Limited
Statutory Auditor
Charter House
Pittman Way
Preston
Lancs
PR2 9ZD

HIGHFIELD PRIORY SCHOOL LIMITED

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HIGHFIELD PRIORY SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|---|---|--|
| Directors | A M Goodwin | - Chairman |
| | M Conlon | - Vice Chairman |
| | A J Bradshaw | |
| | W R Garment | |
| | D Whitman | |
| | RN Wright | (Resigned 31 st August 2016) |
| | EMS Ahmed | |
| | JAT Nairn | |
| | A Kumar | (Resigned 31 st August 2016) |
| | B R Hall | |
| Company Secretary | J R Wood | |
| | N Mason | (Appointed 4 th October 2016) |
| Company Secretary | A Leigh | (Resigned 29 th November 2016) |
| | A Heywood | (Appointed 29 th November 2016) |
| Headmaster | J Duke BEd Hons | |
| Bursar School Business Manager | A Leigh | (Resigned 31 st December 2016) |
| | A Heywood | (Appointed 28 th November 2016) |
| Company Number | 1157590 | |
| Charity Number | 532262 | |
| Principal and Registered Office | Highfield Priory School Fulwood Row Fulwood Preston PR2 5RW | |
| Auditor | Montpelier Audit Limited Statutory Auditor Charter House Pittman Way Fulwood Preston PR2 9ZD | |
| Solicitors | DLA Piper UK LLP India Buildings Water Street Liverpool, L2 0NH | |
| Bankers | National Westminster Bank plc 292 Garstang Road Fulwood Preston PR2 9RQ | |

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Board of Directors present their annual report and the audited financial statements for the year ended 31 August 2016.

REFERENCE AND ADMINISTRATION DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The Legal and Administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Highfield Priory School Limited is a charitable company. The charity is governed by the company's Memorandum and Articles of Association.

The maximum number of governors is twelve, consisting of seven governors who are parents of children at the school and five co-opted governors. Since 1 January 2016, governors have been appointed by the Board of Governors on recommendation from a nominations committee.

Governors are recruited and appointed on the basis of 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.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Directors

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

Name of director

A M Goodwin (FGP) Chairman
M Conlon (MKT,STR) Joint Vice Chair, Chair of Marketing Committee
A Bradshaw (IND) Chair of Independent Committee
W R Garment (FDN) Chair of Foundation Committee
D Whitman (STR) Chair of the Strategic Committee
R N Wright (FGP)
E M S Ahmed (H&S)
J A T Nairn (IND)
A Kumar (FGP)
B R Hall (FGP)
J R Wood (IND)
N Mason (IND)

Induction and training of trustees

Governors are inducted into the workings of the school, and also of the Company as a registered charity, including Board Policy and Procedures. They are provided with an induction pack which includes 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. The Chairman, Governors, Headmaster and Bursar provide ongoing support.

Organisational structure and decision making

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

The governors meet four times per year to determine the general policy and review its overall controls and management structure. There are sub-committees covering Strategic Planning, Finance and General Purposes, Health and Safety, Marketing, Foundation and the Independent Committee.

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

FGP – Finance and General Purposes Committee
MKT – Marketing Committee
HS – Health & Safety
STR – Strategic Committee
FDN – Foundation Committee
IND – Independent Committee
EDU – Education Committee

Sub-committees are chaired by a school governor and are supported by other members of the governing body, the Senior Management Team and other school employees. The Chairman sits across all sub-committees

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Public Benefit

The Object of the Company, in accordance with its Memorandum of Association, is the education of children up to age 11. In the furtherance of this Object the Directors, as the charity trustees, have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

OBJECTIVES AND ACTIVITIES

Objects of the charity

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.

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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 on the basis of 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 manner.

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.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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.

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.

ACHIEVEMENTS AND PERFORMANCE

Performance and achievement of objectives

The academic year 2015/16 was an excellent year for the school. Ten children gained a place at Grammar school, one achieved a scholarship and all children who took Entrance Exams were accepted by their chosen Independent School. These achievements were then supported by the children's results in the new style of National Curriculum Tests, in which the children achieved well above the National Average in English and Mathematics.

In October, the school moved up once again to the 14th best Independent Preparatory School in the country and 1st in the North West and Lancashire. We were also Runners Up at the ISA awards for Excellence and Innovation in Provision for our unique work in HPSED and our consistently excellent National Curriculum Test results.

This was followed by a stunning performance in the swimming pool from our school swimming team who won four out of the six age group trophies in the Northern ISA Swimming Gala out of 21 schools. Seven swimmers qualified for the National Finals at the Olympic Pool in London where one student was awarded a special award as the Best Junior Swimmer in the country. This award was presented to him by the ISA Ambassador for sport who visited Highfield in March. Our swimming team went on to win the Preston Schools Gala and the Beech House Gala. They were invited to the Preston Sports Awards at The Guild Hall where they were presented with a Runners Up award in the best under 18s team category. An outstanding year for Highfield swimmers –well done!

This triumph set the scene for our year of sport in which we have been celebrating the opening of our new all-weather pitch: a wonderful facility for the children of Highfield. The all-weather pitch was finished in October just in time before the rain began and storms Abigail through to Desmond took hold. Thanks to this new facility, the children were able to maintain a very active sports programme during this period which is something we would not have been able to do previously. We have also hosted more home matches and the new surface has been the envy of many preparatory schools who have to share theirs with their Secondary school. We played our first hockey match against Rossall School and the Year 4 boys were the first to play a competitive football match winning 10-1 in the ISA Cup. The pitch has also hosted a number of other events, including an Alumni hockey event which saw a number of old girls and boys, some of whom are now international and county players, coaching our present children before playing an exhibition match.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

We welcomed a variety of sporting superstars to Highfield to coach and inspire the children with their stories and their skill, including Toby Lester, a county cricketer, England footballer Jill Scott, GB hockey player Sally Walton, England netballer (and former Head Girl) Natalie Panagarry and Mrs McGrath, England Seniors Tennis Player.

This year we have had our largest ever choir with over 80 pupils! They performed a wonderful arrangement of songs at our Carol Service and provided the music for our Year 6 performance. Members of the Choir have also entertained the public at Barton Grange and the residents of Bethany House which has been a wonderful experience for the children. The quality of the singing has been excellent and the children have really been given a chance to express themselves as a group.

The children have amazed themselves and their audiences this year with their school productions. Our infants, led by Year 2, astounded us with 'Straw and Order', this year's nativity. At the start of the spring term, our Year 4s and Miss Burns' dancers formed a cast of 96 children to present this year's production of "Ernie's Incredible Illucinations" which they performed in front of over 300 people at The Charter Theatre. This was followed in the summer term by the moving Year 3 and 5 play, Archibald's War, which told the story of the evacuation of children during World War Two. Our marvellous Year 6, supported by our choir, gave us "Go For Goal" which commemorated the anniversary of England winning the World Cup and linked closely with the school's celebration of sport this year.

Highfield underwent a new style of Inspection in June which focused on the whole school's compliance with regulations and a full inspection of, and written report for, our Early Years. There were four inspectors who looked at every aspect of the school over a two day period. The written feedback from these Inspectors was excellent with their comments focusing on the passion and dedication of the teachers as well as the high level of care and the quality of the teaching. They were also very impressed by the positive interactions between the staff and children in the playground and around the school.

Our PTA has worked tirelessly throughout the year supporting our school events and organising many memorable experiences for the children. The Christmas and Summer Fayres were, once again, hugely successful and a real testament to their hard work and commitment to Highfield. This year also saw our first evening event for parents for many years with Mr Murray, accompanied by members of his group, All Saints, hosting a Cabaret Evening. It was an outstanding event and I know that parents will have to get their tickets very quickly for next year's event as it is sure to sell out early. The money raised from all these events this year has helped to buy new resources for the school like iPads, headphones and hockey goals. The new project next year will be the gradual renewal of the interactive whiteboards and projectors which were originally bought by the PTA.

The school has also raised £1,385 this year from a variety of charitable events throughout the year. This money will be divided between Derian House, Water Aid and Baby Beat, which were chosen by the children.

Highfield is continuing to go from strength to strength with numbers increasing again for September 2016.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Developments

The Governors' are committed to the ongoing improvement of school facilities. The main focus of investment continues to centre around the provision of first class learning and teaching facilities.

During the year, work was completed on the new 'all weather' multi-purpose sports pitch, providing an excellent facility for the school and the local community.

The additional development of the woodland classroom, provision of a new all-weather sports pitch and resurfacing of the playgrounds all help to enhance the outdoor learning environment. Additional ICT investments have been made together with air conditioning installations for four classrooms. These investments directly improve the classroom environment for pupils and teachers.

Ongoing investments in premises includes additional perimeter fencing which is designed to preclude access to the sports pitch and woodland area for the general public. Ongoing maintenance and enhancement of the learning environment is continuously reviewed.

FINANCIAL REVIEW

Financial review of school

The results for the year are set out in the Statement of Financial Activities on page 13. The termly fees have been held at a competitive level to ensure that as many pupils as possible are able to access the school, whilst ensuring that the best teaching resources and learning environment are provided. Total income in the year benefited from higher than anticipated pupil numbers across both the main school and the nursery. The increased headcount was managed without the need for significant additional staff resources and good control of discretionary costs, resulting in an increase to total net incoming resources for the year to £180,985. This has enabled a strong cash and working capital position to be maintained, even with the significant investments made in the year, including the a new sports pitch. The school has 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 12 to the accounts, the school has free reserves backed by available cash which will be utilised for future enhancements to facilities and to support committed bursary places through those pupils 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.

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

HIGHFIELD PRIORY SCHOOL LIMITED
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law (applicable to charities in England & Wales) the trustees are required to prepare financial statements which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

- select suitable accounting policies and 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

In accordance with company law, in so far as the trustees are aware:

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

HIGHFIELD PRIORY SCHOOL LIMITED
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

A resolution to re-appoint Montpelier Audit Limited as auditor will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in 2015) and in accordance with special provisions relating to small companies under Section 419 (2) of the Companies Act 2006.

This report was approved by the Board on _____

Signed by order of the directors

A Heywood
Company Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HIGHFIELD PRIORY SCHOOL LIMITED
FOR THE YEAR ENDED 31 AUGUST 2016**

We have audited the financial statements of Highfield Priory School Limited for the year ended 31 August 2016, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity'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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees' (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' and Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

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 2016 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HIGHFIELD PRIORY SCHOOL LIMITED (continued)**

FOR THE YEAR ENDED 31 AUGUST 2016

Opinion on Other Matter Prescribed By the Companies Act 2006

In our opinion the information given in the Directors' and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which We Are Required To Report by Exception

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report.

**Susan McDonald BSc FCA DChA
Senior Statutory Auditor
For and on behalf of
Montpelier Audit Limited, Statutory Auditor
PRESTON**

Date:

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2016

| | Note | Unrestricted Fund 2016 £ | Restricted Fund 2016 £ | Total Funds 2016 £ | Total Funds 2015 £ |
|------------------------------------|-------|-----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Charitable activities | 2 | 1,879,598 | (2,854) | 1,876,744 | 1,742,736 |
| Donations and legacies: | | | | | |
| Covenant and gift aid | | 22,492 | - | 22,492 | 21,149 |
| Parents association gift | | 12,745 | - | 12,745 | 5,000 |
| Other trading activities: | | | | | |
| Sale of uniform & accessories | | 1,029 | - | 1,029 | 182 |
| Hire of school and hall | | 4,263 | - | 4,263 | 2,123 |
| Other receipts | | 9,465 | - | 9,465 | 6,645 |
| Total income | | 1,929,592 | (2,854) | 1,926,738 | 1,777,835 |
| Expenditure on: | | | | | |
| Charitable activities | 5 | 1,743,898 | - | 1,743,898 | 1,706,882 |
| Other | 5 | 1,855 | - | 1,855 | 2,609 |
| Total expenditure | 3 | 1,745,753 | - | 1,745,753 | 1,709,491 |
| Net income / (expenditure) | | 183,839 | (2,854) | 180,985 | 68,344 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 1,237,894 | 2,910 | 1,240,804 | 1,172,460 |
| Total funds carried forward | 12/13 | 1,421,733 | 56 | 1,421,789 | 1,240,804 |

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

BALANCE SHEET

AS AT 31 AUGUST 2016

| | Note | 2016 | 2015 |
|---|------|------------------|------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 6 | 1,329,754 | 1,093,066 |
| Current assets | | | |
| Stocks | 7 | - | 1,414 |
| Debtors | 8 | 55,189 | 43,089 |
| Cash at bank and in hand | | 247,218 | 285,802 |
| | | <u>302,407</u> | <u>330,305</u> |
| Creditors: amounts falling due within one year | 9 | (210,361) | (182,557) |
| Net Current Assets | | <u>92,046</u> | <u>147,748</u> |
| Total assets less current liabilities | 14 | <u>1,421,800</u> | <u>1,240,814</u> |
| Capital and funds of the charity: | | | |
| Capital | | | |
| Share capital | 10 | 11 | 10 |
| Funds | | | |
| Unrestricted funds | 12 | 1,421,733 | 1,237,894 |
| Restricted funds | 13 | 56 | 2,910 |
| Total charity funds | 11 | <u>1,421,800</u> | <u>1,240,814</u> |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board and authorised for issue on and signed on its behalf.

A M Goodwin – Chair of Governors

1 Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention. The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities presenting their accounts, in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities effective January 2015, and the Companies Act 2006.

Income

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

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.

Fund accounting

General unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds of the charity which have been set aside to reflect the value of funds represented by the tangible fixed assets of the charity or to fund a particular future activity of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets these criteria is charged to the fund.

Resources expended

Expenditure is accounted for on an accruals basis, including irrecoverable VAT.

Allocation of support and governance costs

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 charitable activities as there is only one main activity undertaken by the Charity.

Irrecoverable VAT

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

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.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Individual fixed assets costing £150 or more are capitalised at cost.

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives.

The rates generally applicable are:

| | |
|-----------------------|----------------------|
| Freehold land | Nil |
| Freehold properties | 1-10% Straight line |
| Motor vehicles | 25% Reducing balance |
| Fixtures and fittings | 15% Reducing balance |
| Computer equipment | 25% Straight line |
| Sports pitch | 6.67% Straight line |

Pension scheme

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at 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. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme (see note 15).

The Charity also contributes to individual personal pension schemes for certain non-teaching staff at 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.

Operating leases

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

| 2 | Income | 2016 £ | 2015 £ |
|---|-----------------|------------------|------------------|
| | Gross fees | 1,879,598 | 1,745,533 |
| | Less: Bursaries | (2,854) | (2,797) |
| | | <u>1,876,744</u> | <u>1,742,736</u> |

| 3 | Net incoming resources | 2016 £ | 2015 £ |
|---|--|--------------|------------|
| | <i>Net income for the year is arrived at after charging:</i> | | |
| | Depreciation of tangible fixed assets: | | |
| | - owned assets | 87,328 | 69,181 |
| | Loss on disposal of fixed assets | 4,166 | - |
| | Auditor's remuneration | 4,365 | 4,365 |
| | Accountancy and other services | 3,275 | 5,415 |
| | Governors liability insurance | <u>1,317</u> | <u>835</u> |

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

| 4 | Employees | 2016 £ | 2015 £ |
|---|--|-------------------|-------------------|
| | Staff costs were as follows: | | |
| | Wages and salaries | 1,174,590 | 1,141,257 |
| | Social security costs | 87,296 | 77,213 |
| | Pension contributions | 123,614 | 94,520 |
| | | <u>1,385,500</u> | <u>1,312,990</u> |
| | | Number | Number |
| | The average monthly number of employees during the year, calculated on a full time equivalent basis was: | | |
| | Teachers and assistants | 52 | 46 |
| | Administration | 6 | 5 |
| | Domestic | 6 | 8 |
| | | <u>64</u> | <u>59</u> |
| | Employees earning over £60,000 (excluding pension contributions): | | |
| | £60,001 - £70,000 | 1 | 1 |
| | | <u>1</u> | <u>1</u> |
| 5 | Analysis of total resources expended | 2016 £ | 2015 £ |
| | Charitable activities | | |
| | Teaching costs | 1,147,167 | 1,066,214 |
| | Non teaching staff costs | 238,333 | 246,776 |
| | Books & food | 80,855 | 76,118 |
| | School overheads and maintenance | 189,034 | 224,960 |
| | Bad debts | (10,625) | 13,853 |
| | Depreciation | 87,328 | 69,181 |
| | Loss on disposal of fixed assets | 4,166 | - |
| | Audit services | 4,365 | 4,365 |
| | Accountancy services | 3,275 | 5,415 |
| | | <u>1,743,898</u> | <u>1,706,882</u> |
| | Other trading expenses: | | |
| | School uniform costs | 1,855 | 2,609 |
| | | <u>1,745,753</u> | <u>1,709,491</u> |
| | Total resources expended | | |

HIGHFIELD PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6 Tangible fixed assets

| | Freehold land and buildings £ | Sports Pitch £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Total £ |
|---|--|-------------------|----------------------------------|------------------------|----------------------------|------------------|
| Cost | | | | | | |
| At 1 September 2015 | 1,447,738 | 20,413 | 448,168 | 22,053 | 164,305 | 2,102,677 |
| Additions | 42,859 | 264,077 | 9,496 | - | 11,750 | 328,182 |
| Disposals | - | - | (19,240) | - | - | (19,240) |
| At 31 August 2016 | 1,490,597 | 284,490 | 438,424 | 22,053 | 176,055 | 2,411,619 |
| Depreciation | | | | | | |
| At 1 September 2015 | 574,231 | - | 276,006 | 21,121 | 138,253 | 1,009,611 |
| Charge for the year | 26,636 | 18,975 | 27,227 | 233 | 14,257 | 87,328 |
| On disposals | - | - | (15,074) | - | - | (15,074) |
| At 31 August 2016 | 600,867 | 18,975 | 288,159 | 21,354 | 152,510 | 1,081,865 |
| Net Book Value At 31 August 2016 | 889,730 | 265,515 | 150,265 | 699 | 23,545 | 1,329,754 |
| <i>At 31 August 2015</i> | <i>873,507</i> | <i>20,413</i> | <i>172,162</i> | <i>932</i> | <i>26,052</i> | <i>1,093,066</i> |

The cost of land and buildings include an amount of £64,917 (2015: £64,917) relating to the cost of land which is not depreciated.

7 Stocks

| | 2016 £ | 2015 £ |
|-------|-----------|-----------|
| Stock | - | 1,414 |

8 Debtors

| | 2016 £ | 2015 £ |
|---------------|---------------|---------------|
| School fees | 7,425 | 14,196 |
| Other debtors | 4,264 | - |
| Prepayments | 43,500 | 28,893 |
| | 55,189 | 43,089 |

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| 9 Creditors: amounts falling due within one year | | |
| Trade creditors | 66,117 | 51,868 |
| Accruals | 72,764 | 51,967 |
| Deferred income | 47,813 | 54,538 |
| PAYE | 22,616 | 22,575 |
| Other creditors | 1,051 | 1,609 |
| | <u>210,361</u> | <u>182,557</u> |

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

| | 2016 £ | 2015 £ |
|-------------------------------|-----------|-----------|
| 10 Share capital | | |
| Authorised | | |
| 11 Ordinary shares of £1 each | <u>11</u> | <u>10</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 its members.

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| 11 Reconciliation of shareholders' funds | | |
| Net income for the financial year | 180,985 | 68,344 |
| Opening shareholders' funds | 1,240,814 | 1,172,470 |
| Issue of ordinary share during year | <u>1</u> | <u>-</u> |
| Closing shareholders' funds | <u>1,421,800</u> | <u>1,240,814</u> |

12 Unrestricted Funds

| | Balance at 01.09.15 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31.08.16 £ |
|-------------------------|--------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| General Fund: | | | | | |
| Free reserves | 144,828 | 1,929,592 | (1,654,259) | (356,802) | 63,359 |
| Designated Fund: | | | | | |
| Property Asset Fund | 1,093,066 | - | (91,494) | 328,182 | 1,329,754 |
| Bursary Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,620</u> | <u>28,620</u> |
| | <u>1,237,894</u> | <u>1,929,592</u> | <u>(1,745,753)</u> | <u>-</u> | <u>1,421,733</u> |

HIGHFIELD PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Unrestricted Funds – previous year

| | Balance at 01.09.14 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31.08.15 £ |
|-------------------------|--------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| General Fund: | | | | | |
| Free reserves | 69,599 | 1,780,632 | (1,640,310) | (65,093) | 144,828 |
| Designated Fund: | | | | | |
| Property Asset Fund | 1,097,154 | - | (69,181) | 65,093 | 1,093,066 |
| | <u>1,166,753</u> | <u>1,780,632</u> | <u>(1,709,491)</u> | <u>-</u> | <u>1,237,894</u> |

General Fund: The 'free' reserves of the charity after allowing for all designated funds.

Property Asset Fund: The property asset fund is the value of the unrestricted funds already spent and represented by the tangible fixed assets of the charity.

Bursary Fund: To fund the bursaries in place at 31 August 2016, through their remaining years in the school.

13 Restricted funds – Bursary Scheme

| | Balance at 01.09.15 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31.08.16 £ |
|--|--------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| | 2,910 | - | (2,854) | - | 56 |
| | <u>2,910</u> | <u>-</u> | <u>(2,854)</u> | <u>-</u> | <u>56</u> |

Restricted funds – Bursary Scheme – previous year

| | Balance at 01.09.14 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31.08.15 £ |
|----------------|--------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| Bursary Scheme | 5,707 | - | (2,797) | - | 2,910 |
| | <u>5,707</u> | <u>-</u> | <u>(2,797)</u> | <u>-</u> | <u>2,910</u> |

In future years bursaries will be met from unrestricted reserves (see note 12).

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

| 14 | Analysis of net assets between funds | General Fund | Designated Fund | Restricted Fund | Total Funds |
|----|--------------------------------------|--------------|-----------------|-----------------|-------------|
| | | £ | £ | £ | £ |
| | Tangible fixed assets | - | 1,329,754 | - | 1,329,754 |
| | Current assets | 302,351 | - | 56 | 302,407 |
| | Current liabilities | (210,361) | - | - | (210,361) |
| | Total net assets at 31 August 2016 | 91,990 | 1,329,754 | 56 | 1,421,800 |

| | Analysis of net assets between funds – previous year | General Fund | Designated Fund | Restricted Fund | Total Funds |
|--|--|--------------|-----------------|-----------------|-------------|
| | | £ | £ | £ | £ |
| | Tangible fixed assets | - | 1,093,066 | - | 1,093,066 |
| | Current assets | 327,395 | - | 2,910 | 330,305 |
| | Current liabilities | (182,557) | - | - | (182,557) |
| | Total net assets at 31 August 2015 | 144,838 | 1,093,066 | 2,910 | 1,240,814 |

15 Pension schemes

The Charity participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff.

The pension charge for the year includes contributions payable to the Scheme of £110,435 (2015: £89,773). The number of staff who accrued benefits under the scheme was 21 during the year ended 31 August 2016. From September 2015 the employer contributions rate increased from 14.1% to 16.4%. In addition, the employer has also paid a scheme administration levy of 0.08% of the employer's salary costs which has increased the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the actuarial valuation of the Scheme which is due at 31 March 2017.

Employee's contributions are paid using bandings between 6.4% and 11% dependent on salary.

The Charity also runs a scheme for certain non-teaching staff, which is a defined contributions scheme managed by Prudential. The cost for the year represents the Charity's contributions to that scheme of £13,179 (2015: £4,747). The number of staff who accrued benefits under the scheme was 18 during the year ended 31 August 2016.

HIGHFIELD PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16 Commitments under operating leases

At 31 August 2016 the company had aggregate annual commitments under a non cancellable operating lease in respect of the sports field as set out below:

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Operating lease which expires: 2 – 5 years | 480 | 480 |

17 Capital commitments

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Contracted for but not provided for in the financial statements | - | 261,257 |

18 Related parties

Legal services are provided to the school by the law firm DLA Piper of which a trustee, Mr Goodwin, is a partner. No charges are made for these services.

One Governor received travel expenses totalling £295 during the year (2015: Nil). No other Governors or persons connected with them received any remuneration, and were not reimbursed for any expenses in this or the previous year.

Insurance premiums of £1,317 (2015: £835) were paid by the school in respect of indemnity insurance for the Governors.