

Charity Registration No. 532262

Company Registration No. 01157590 (England and Wales)

Highfield Priory School Limited
Annual Report and Financial Statements
For the Year Ended
31 August 2017



Montpelier
Audit Limited
Registered Auditor

HIGHFIELD PRIORY SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	A M Goodwin M Conlon A J Bradshaw W R Garment D Whitman E M S Ahmed J A T Nairn B R Hall J R Wood N Mason D Patel Smith
Secretary	Mrs A J Heywood
Headmaster	J Duke BEd Hons
School Business Manager	A J Heywood
Charity number	532262
Company number	01157590
Registered office	58 Fulwood Row Fulwood Preston Lancashire PR2 5RW
Auditor	Montpelier Audit Limited Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD
Bankers	National Westminster Bank Plc 292 Garstang Road Fulwood Preston PR2 9RQ
Solicitors	DLA Piper UK LLP India Buildings Water Street Liverpool L2 0NH

HIGHFIELD PRIORY SCHOOL LIMITED

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HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

The Board of Directors present their annual report and the audited financial statements for the year ended 31 August 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 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 on 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.

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

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 many individuals benefit not only the teachers employed by the school but other individuals who are seeking work experience or trainee teachers and nursery nurses.

The school works to develop a sense of benevolence, social responsibly and community spirit in the children, which will stay with them throughout the rest of their lives. By developing this sense, they are enthusiastic about engaging in activities which will benefit the community for example supporting specialist charity days and visiting the local old peoples 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.

It demonstrates a commitment to provide the widest possible access to the school and not be selective on the basis of gender, geography, social, cultural, ethnic religious background and intellectual ability. Through this commitment the school is able to benefit children and adults from all sectors of the community.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

The school continues to improve and develop its facilities and systems thereby providing a safe and well maintained environment for the benefit of the community. By committing to this aim the school is able to 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 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 matter.

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

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016/17 was an excellent year for the school. Twenty one children passed the Grammar School Examinations, eight 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 13th best Independent Preparatory School in the country and 1st in the North West and Lancashire.

On the sporting front, in Years 5 and 6, every child has been given the opportunity to compete in matches and tournaments against other schools. Our swimmers were the ISA Regional U11 Boys' and Girls' Champions with 4 swimmers qualifying to compete in the National Finals at the Olympic Pool. They brought home 6 Golds, 1 Silver and 1 Bronze medal. In Athletics, five children qualified for the ISA National Athletics Final in Birmingham, bringing home a Silver and a Bronze. Our Netballers achieved second place in a hard-fought contest at the Sedbergh Netball tournament. The Year 5 and 6 boys and girls have made their presence felt at the ISA Regional tournaments this year, gaining top four finishes in Cricket, Football, Netball, Athletics and Swimming.

Our Choir has been bursting at the seams this year with 76 members and 29 Young Voices just waiting in the wings! We have also had 42 instrumentalists who are learning an instrument at school and who have impressed us with their progress in our termly Musical Assemblies. We have taken our music out into the community performing at Bethany House and Barton Grange as well as a stunningly beautiful Carol Concert at St Maria Goretti Church.

The children amazed themselves and their audiences this year with their school productions. Our infants, led by Year 2, astounded us with Lights, Camel, Action, this year's nativity. At the start of the spring term, our Year 4 children and Miss Burns' dancers formed a cast of nearly a hundred children to present this year's production; The Wizard of Oz, 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, The Tempest. Later in the term our marvellous Year 6, supported by our choir, gave us the sci-fi extravaganza The Blue Crystal.

Our PTA has worked tirelessly for the school this year, providing amazing experiences for the children and raising funds for school development projects. This year events have included film nights, roller-skating, Mothers' and Fathers' Day shops, a Cabaret Evening and a very successful Summer Fayre. These fund-raising events have helped to buy two outdoor Cricket and Rounders' nets and new interactive white boards.

The school has also raised over £1,400 this year from a variety of charitable events throughout the year. This money will be divided between Derian House, Water Aid and Just4Children, which were chosen by the children.

Highfield is continuing to go from strength to strength with numbers increasing again for September 2017.

Developments

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

This year, work to improve the security of the buildings has been carried out including fitting new aluminium doors and erecting fencing. A new access control system has been set up throughout the whole school to control and monitor visitors and a CCTV system has also been installed.

Ongoing maintenance and enhancement of the learning environment is continuously reviewed and improved.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The results for the year are set out in the Statement of Financial Activities on page 10.

Income shows only a slight increase which is due to consistent pupil numbers and termly fees have been held at a competitive level. Maintaining fees at a competitive level ensures that as many pupils as possible are able to access the school, whilst ensuring that the best teaching resources and learning environment are provided.

The overall results show a small deficit of £1,592. The school bursar 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 16 to the accounts, the school has free reserves of £51,669 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 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. Fee levels are reviewed regularly.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 geographic area in particular. 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.

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 Limited is a charitable company limited by guarantee. 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.

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
A M Goodwin	Chair of Governors	FGP,STR
M Conlon	Vice Chair of Governors, Chair of Marketing Committee	MKT, STR
E M S Ahmed	Chair of H&S Committee	H&S
A Bradshaw		FGP, IND
W R Garment	Chair of Foundation Committee	FDN
B R Hall		FGP
N Mason (Appointed 29 November 2016)	Chair of FGP Committee	IND,FGP
J A T Nairn		IND, EDU
D Patel-Smith (Appointed 27 April 2017)		MKT
D Whitman	Chair of Strategic Committee	STR
J R Wood	Chair of Independent Governors Committee, Chair of Education Committee	IND, EDU

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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, Education, Foundation and the Independent Committee. 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:

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

Key management personnel

The Governors consider that they, together with the Head, the School Business Manager and the Senior Leaders comprise the Key Management Personnel (see note 17 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and senior staff is set by the Finance Committee and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

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 law 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 state of affairs 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.

Auditor

In accordance with the company's articles, a resolution proposing that Montpelier Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

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.

The trustees' report was approved by the Board of Trustees.

N Mason

Trustee

Dated: 8 February 2018

HIGHFIELD PRIORY SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

Opinion

We have audited the accounts of Highfield Priory School Limited (the 'charity') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

HIGHFIELD PRIORY SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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' are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 and regulations made under that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Susan McDonald BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of
Montpelier Audit Limited
Statutory Auditor

Date 16 May 2018

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	2	8,000	-	8,000	35,237
Charitable activities - income	3	1,934,925	7,098	1,942,023	1,876,744
Other trading activities	4	12,762	-	12,762	14,757
Total income		1,955,687	7,098	1,962,785	1,926,738
Expenditure on:					
Charitable activities - expenditure	5	1,961,819	2,558	1,964,377	1,743,898
Other		-	-	-	1,855
Total resources expended		1,961,819	2,558	1,964,377	1,745,753
Net (expenditure)/income for the year					
Net movement in funds		(6,132)	4,540	(1,592)	180,985
Fund balances at 1 September 2016		1,421,744	56	1,421,800	1,240,815
Fund balances at 31 August 2017		1,415,612	4,596	1,420,208	1,421,800

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HIGHFIELD PRIORY SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		1,334,672		1,329,754
Current assets					
Debtors	10	59,363		55,189	
Cash at bank and in hand		248,406		247,218	
		307,769		302,407	
Creditors: amounts falling due within one year	11	(222,233)		(210,361)	
Net current assets			85,536		92,046
Total assets less current liabilities			1,420,208		1,421,800
Income funds					
Restricted funds	12		4,596		56
<u>Unrestricted funds:</u>					
Designated funds	13	1,371,932		1,358,374	
General unrestricted funds		43,669		63,359	
Share capital	15	11		11	
			1,415,612		1,421,744
			1,420,208		1,421,800

The accounts were approved by the Trustees on 8 February 2018

M Conlon
Chair of Governors

Company Registration No. 01157590

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	19		95,769		289,598
Investing activities					
Purchase of tangible fixed assets		(94,581)		(328,182)	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(94,581)		(328,182)
Net cash used in financing activities			<u> </u>		<u> </u>
			-		-
Net increase/(decrease) in cash and cash equivalents			1,188		(38,584)
Cash and cash equivalents at beginning of year			247,218		285,802
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>248,406</u>		<u>247,218</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Charity information

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

1.1 Accounting convention

The accounts have been prepared in accordance 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).

The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 August 2017 are the first accounts of Highfield Priory School Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

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 accounts.

1.4 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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

1.6 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
Sports pitch	6.67% Straight line
Furniture and equipment	15% Reducing balance
Computers	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.

1.7 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.

1.8 Financial instruments

The charity only has 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.

1.9 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 expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.10 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. Therefore, in accordance with FRS102 the scheme is accounted for as a defined contribution scheme (see note 20).

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.

1.11 Leases

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

1.12 Irrecoverable VAT

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

1.13 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.

2 Donations and legacies

	2017	2016
	£	£
Covenant and gift aid	-	22,492
Parents association gift	8,000	12,745
	<u>8,000</u>	<u>35,237</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

3 Charitable activities - income

	2017 £	2016 £
Gross fees	1,952,756	1,879,598
Less : Bursaries	(10,733)	(2,854)
	<u>1,942,023</u>	<u>1,876,744</u>
Analysis by fund		
Unrestricted funds	1,934,925	1,879,598
Restricted funds	7,098	(2,854)
	<u>1,942,023</u>	<u>1,876,744</u>

4 Other trading activities

	2017 £	2016 £
Sale of uniform	-	1,029
Hire of school and hall	3,638	4,263
Other receipts	9,124	9,465
	<u>12,762</u>	<u>14,757</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

5 Charitable activities - expenditure

	2017 £	2016 £
Teaching costs, books and school meals	1,320,367	1,228,022
Non teaching staff costs	292,048	238,333
School overheads and maintenance	254,019	178,409
Depreciation	89,663	91,494
Audit and accountancy services	8,280	7,640
	<u>1,964,377</u>	<u>1,743,898</u>
Analysis by fund		
Unrestricted funds	1,961,819	1,743,898
Restricted funds	2,558	-
	<u>1,964,377</u>	<u>1,743,898</u>

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2017 £	2016 £
Audit services	4,680	4,365
Accountancy services	3,600	3,275
	<u>8,280</u>	<u>7,640</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £258 travelling expenses (2016- 1 was reimbursed £295).

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Teachers and Assistants	52	52
Administration	8	6
Domestic	5	6
	<u>65</u>	<u>64</u>

Employment costs

	2017 £	2016 £
Wages and salaries	1,379,004	1,255,445
Social security costs	104,131	87,296
Other pension costs	129,280	123,614
	<u>1,612,415</u>	<u>1,466,355</u>

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

	2017 Number	2016 Number
60,001 - 70,000	-	1
70,001 - 80,000	1	-
	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2016: 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 2017

9 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	1,490,597	284,490	614,479	22,053	2,411,619
Additions	54,864	480	39,237	-	94,581
Disposals	-	-	(84,398)	-	(84,398)
At 31 August 2017	1,545,461	284,970	569,318	22,053	2,421,802
Depreciation and impairment					
At 1 September 2016	600,867	18,975	440,669	21,354	1,081,865
Depreciation charged in the year	28,133	19,007	42,348	175	89,663
Eliminated in respect of disposals	-	-	(84,398)	-	(84,398)
At 31 August 2017	629,000	37,982	398,619	21,529	1,087,130
Carrying amount					
At 31 August 2017	916,461	246,988	170,699	524	1,334,672
At 31 August 2016	889,730	-	150,265	699	1,329,754

The cost of land and buildings include an amount of £64,917 (2016: £64,917) relating to the cost of land which is not depreciated.

10 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Fee debtors	6,860	7,425
Other debtors	11,651	4,264
Prepayments and accrued income	40,852	43,500
	59,363	55,189

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

11 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Other taxation and social security		24,635	22,616
Fees received in advance		84,293	47,813
Trade creditors		52,107	66,117
Other creditors		2,221	1,051
Accruals and deferred income		58,977	72,764
		<u>222,233</u>	<u>210,361</u>

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 Restricted funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Balance at 31 August 2017 £
Bursary scheme	56	(56)	-	-
AEN	-	7,154	(2,558)	4,596
	<u>56</u>	<u>7,098</u>	<u>(2,558)</u>	<u>4,596</u>

The bursary fund was to fund pupil bursaries through their remaining years in the school. As this has now been utilised, future bursaries will be met from designated unrestricted reserves.

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

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

13 Unrestricted funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2017 £
General fund	63,359	1,955,687	(1,861,479)	(105,898)	51,669
Designated funds:					
Property Asset Fund	1,329,754	-	(89,663)	94,581	1,334,672
Bursary fund	28,620	-	(10,677)	11,317	29,260
	<u>1,421,733</u>	<u>1,955,687</u>	<u>(1,961,819)</u>	<u>-</u>	<u>1,415,601</u>

General fund

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

Designated funds

The property asset fund is the value of the unrestricted funds, represented by monies spent on the tangible fixed assets of the charity (note 10).

The transfer of £94,581 from the free reserves represents the funds spent on fixed assets in the current year.

The resources expended of £89,663 represents the depreciation charge in the current year.

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

14 Analysis of net assets between funds

	General fund £	Designated £	Restricted Fund £	Total £
Fund balances at 31 August 2017 are represented by:				
Tangible assets	-	1,334,672	-	1,334,672
Current assets/(liabilities)	43,680	37,260	4,596	85,536
	<u>43,680</u>	<u>1,371,932</u>	<u>4,596</u>	<u>1,420,208</u>
	General fund £	Designated £	Restricted Fund £	Total £
Fund balances at 31 August 2016 are represented by:				
Tangible assets	-	1,329,754	-	1,329,754
Current assets/(liabilities)	63,370	28,620	56	92,046
	<u>63,370</u>	<u>1,358,374</u>	<u>56</u>	<u>1,421,800</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15 Share capital	2017	2016
	£	£
Authorised		
11 Ordinary shares of £1 each	11	11
	<u> </u>	<u> </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.

16 Operating lease commitments

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

	2017	2016
	£	£
Within one year	480	480
Between two and five years	1,920	1,920
In over five years	19,800	20,280
	<u> </u>	<u> </u>
	<u>22,200</u>	<u>22,680</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	273,904	261,914
	<u> </u>	<u> </u>

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 £258 during the year (2016 : £295). No other governors or persons connected with them received any remuneration, and were not reimbursed for any expenses in this or the previous year.

During the year insurance premiums of £944 (2016 : £1,317) were paid by the school in respect of indemnity insurance for the Governors, and costs of £324 were incurred on a Christmas meal.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 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 £115,636 (2016: £110,435). The number of staff who accrued benefits under the scheme was 22 during the year ended 31 August 2017 (2016: 21). The contributions rate continued at 16.4%, plus a scheme administration levy of 0.08% of the employer's salary costs, which gives a total employer payment rate of 16.48%.

Employee's contributions are paid using bandings between 7.4% and 11.7% dependent on salary.

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 £13,644 (2016: £13,179). The number of staff who accrued benefits under the scheme was 25 during the year ended 31 August 2017.

19 Cash generated from operations	2017 £	2016 £
(Deficit)/surplus for the year	(1,592)	180,985
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	-	4,166
Depreciation and impairment of tangible fixed assets	89,663	87,328
Movements in working capital:		
(Increase)/decrease in stocks	-	1,414
(Increase) in debtors	(4,174)	(12,099)
(Decrease)/increase in creditors	(24,608)	34,529
Increase/(decrease) in deferred income	36,480	(6,725)
Cash generated from operations	95,769	289,598