

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 2018



Montpelier
Audit Limited
Registered Auditor

HIGHFIELD PRIORY SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

M Conlon
W R Garment
D Whitman
E M S Ahmed
J A T Nairn
B R Hall
J R Wood
N Mason
D Patel Smith
M Booker
M Illsley

Secretary and School Business Manager

A J Heywood

Headmaster

J Duke BEd Hons

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 2018

The Board of Governors present their annual report and the audited financial statements for the year ended 31 August 2018. All Governors of the school are Directors and Trustees of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 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 in 1940.

Objectives and activities

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

In setting our objectives and planning our activities the 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 2018

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 2018

Strategies adopted to achieve objectives

- Continuous improvement of the facilities used to teach the children.
- Provide the best possible education.
- 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 2017/18 had a very exciting start when, in November, we were awarded the National Junior and Preparatory School Award for Academic Excellence and Innovation by the Independent Schools' Association. Highfield received this award in recognition of its long history of academic excellence as well as demonstrating excellence and innovation across the curriculum and in its extra-curricular programme.

In November 2017, Highfield Priory School was ranked 23rd Independent Preparatory School in the country by The Sunday Times. The school has now held a top thirty position for the last seven years which is set to continue this year.

Our Year Six has, once again, achieved fantastic NCT results with 100% achieving Expected and over; 70% achieving Exceeding in Spelling, Punctuation and Grammar, Mathematics and English. Sixteen children achieved a place at a Grammar School, five achieved a scholarship and all children who took entrance examinations were accepted by their chosen Independent School.

Highfield has presented four theatrical productions across the school this year: The Infant Nativity, 'Baubles'; A Midsummer Night's Dream with Years 3 and 5; Year 4's Wind in the Willows at The Charter Theatre, which also involved 99 children from Reception to Year 6 and culminating in the Year 6 end of year musical, 'Robin and the Sherwood Hoodies'. The children's dramatic pursuits continue to instill in them a natural confidence and self-belief which has a positive effect on all their endeavours.

Year 6 have had success on the games field with our girls coming third in the Preston Schools' Cross Country and being highly placed in all other tournaments. The boys reached the Semi-Final of the Preston Schools' Football and reached the Plate Final of the Rugby. Our highly successful swimmers won the Preston Schools' Swimming Gala. Children from across the school have also competed in County and National events in swimming, cross-country, athletics, hockey, cricket and football.

Our musical assemblies continue to be a source of great delight for performer and spectator alike. This year, 40 children have performed in front of the school. We have enjoyed performances on a wide range of instruments including the drums, the ukulele, the saxophone, the electric guitar and a variety of brass instruments as well as the more traditional guitar, flute, recorder and piano. The choir has also been busy entertaining the residents of Bethany House, performing in the Year 6 Musical and delivering an incredibly moving and professional Carol Service at Christmas.

One of our largest Year 5 and 6 groups ever travelled to Shropshire for their Manor Adventure weekend and showed real camaraderie and teamwork supporting each other, facing fears together and celebrating success.

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 Make a Wish, which was chosen by the children as this year's school charity.

Highfield is continuing to go from strength to strength with our largest intake into Reception (28 for September 2018) for several years.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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. We have purchased more IT equipment including iPads and active whiteboards.

Initial design stage investment in developing and expanding the school buildings has commenced.

This year, work to improve the security of the buildings and grounds has been continuing through the building improvement programme by fitting more aluminium doors and erecting fencing.

Financial review

The results for the year are set out in the Statement of Financial Activities on page 11.

Income shows an increase to £2,061,571 which is due to consistent pupil numbers and termly fees being held at a competitive level. Maintaining fees at a competitive level ensures that as many pupils as possible are able to access the school, whilst ensuring that the best teaching resources and learning environment are provided.

The overall results show a surplus of £104,794 The School Business Manager maintains a strong cash and working capital position with no bank overdraft or loans outstanding at the year end.

Reserves Policy

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

In common with other independent schools, the Governors have invested substantial sums in the School buildings and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. As shown in note 13 to the accounts, the school has free reserves of £143,847 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.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2018

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.

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.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2018

Structure, governance and management

Highfield Priory School Limited is a charitable company limited by shares. 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 (resigned 31 August 2018)	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 (resigned 31 August 2018)	FGP, IND	
W R Garment	Chair of Foundation Committee	FDN
B R Hall	FGP	
N Mason	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
M Booker (appointed 1 July 2018)	FGP	FGP
M Illsley (appointed 1 July 2018)	FGP	FGP

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 School Business Manager 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.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2018

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

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.

HIGHFIELD PRIORY SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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: 7/3/19

HIGHFIELD PRIORY SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIGHFIELD PRIORY SCHOOL LIMITED

Opinion

We have audited the financial statements of Highfield Priory School Limited (the 'charity') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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: 27th March 2019

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	2	3,500	-	3,500	8,000
Charitable activities - income	3	2,039,149	3,066	2,042,215	1,942,023
Other trading activities	4	15,856	-	15,856	12,762
Total income		2,058,505	3,066	2,061,571	1,962,785
<u>Expenditure on:</u>					
Charitable activities - expenditure	5	1,955,958	745	1,956,703	1,964,377
Other		74	-	74	-
Total resources expended		1,956,032	745	1,956,777	1,964,377
Net income/(expenditure) for the year					
Net movement in funds		102,473	2,321	104,794	(1,592)
Fund balances at 1 September 2017		1,415,612	4,596	1,420,208	1,421,800
Fund balances at 31 August 2018	12,13	1,518,087	6,917	1,525,004	1,420,208

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		1,302,819		1,334,672
Current assets					
Debtors	9	45,261		59,363	
Cash at bank and in hand		388,685		248,406	
		433,946		307,769	
Creditors: amounts falling due within one year	10	(211,761)		(222,233)	
Net current assets			222,185		85,536
Total assets less current liabilities			1,525,004		1,420,208
Income funds					
Restricted funds	11		6,917		4,596
Unrestricted funds:					
Designated funds	12	1,374,227		1,371,932	
General unrestricted funds		143,847		43,669	
Share capital	15	13		11	
			1,518,087		1,415,612
			1,525,004		1,420,208

The accounts were approved by the Trustees on 07/03/2019



M Conlon
Chair of Governors

Company Registration No. 01157590

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	18		194,933		95,769
Investing activities					
Purchase of tangible fixed assets		(54,656)		(94,581)	
Net cash used in investing activities			(54,656)		(94,581)
Financing activities					
Proceeds from issue of shares		2		-	
Net cash generated from/(used in) financing activities			2		-
Net increase in cash and cash equivalents			140,279		1,188
Cash and cash equivalents at beginning of year			248,406		247,218
Cash and cash equivalents at end of year			388,685		248,406

HIGHFIELD PRIORY SCHOOL LIMITED

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

1 Accounting policies

Charity information

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

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

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

1.2 Going concern

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

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 financial statements.

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

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.

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 2018

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
Furniture and equipment	15% Reducing balance
IT equipment	25% Straight line
Motor vehicles	25% Reducing balance

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

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.

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 18).

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.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

	2018	2017
	£	£
Parents association gift	3,500	8,000

3 Charitable activities - income

	2018	2017
	£	£
Gross fees	2,053,919	1,952,756
Less : Bursaries	(11,704)	(10,733)
	2,042,215	1,942,023
Analysis by fund:		
Unrestricted funds	2,039,149	1,934,925
Restricted funds	3,066	7,098
	2,042,215	1,942,023

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Other trading activities

	2018	2017
	£	£
Hire of school and hall	5,051	3,638
Other receipts	10,805	9,124
	<u>15,856</u>	<u>12,762</u>

5 Charitable activities - expenditure

	2018	2017
	£	£
Teaching costs, books and school meals	1,348,382	1,320,367
Non teaching staff costs	273,987	292,048
Premises expenses	237,105	254,019
Depreciation	86,509	89,663
Governance costs	10,720	8,280
	<u>1,956,703</u>	<u>1,964,377</u>
Analysis by fund:		
Unrestricted funds	1,955,958	1,961,819
Restricted funds	745	2,558
	<u>1,956,703</u>	<u>1,964,377</u>

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2018	2017
	£	£
Audit services	5,115	3,900
Other services	3,818	3,000
	<u>8,933</u>	<u>6,900</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Employees

Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Teachers and Assistants	48	52
Administration	10	8
Domestic	4	5
	<u>62</u>	<u>65</u>

Employment costs

	2018 £	2017 £
Wages and salaries	1,290,934	1,295,360
Social security costs	104,876	104,131
Other pension costs	135,470	129,280
	<u>1,531,280</u>	<u>1,528,771</u>

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

	2018 Number	2017 Number
70,001 - 80,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2017: 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 2018

8 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	1,545,461	284,970	569,318	22,053	2,421,802
Additions	32,920	3,600	18,136	-	54,656
At 31 August 2018	1,578,381	288,570	587,454	22,053	2,476,458
Depreciation and impairment					
At 1 September 2017	629,000	37,982	398,619	21,529	1,087,130
Depreciation charged in the year	28,376	19,760	38,241	132	86,509
At 31 August 2018	657,376	57,742	436,860	21,661	1,173,639
Carrying amount					
At 31 August 2018	921,005	230,828	150,594	392	1,302,819
At 31 August 2017	916,461	246,988	170,699	524	1,334,672

The cost of land and buildings include an amount of £64,917 (2017: £64,917) relating to the cost of land which is not depreciated.

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

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Fee debtors	6,468	6,860
Other debtors	3,723	11,651
Prepayments and accrued income	35,070	40,852
	45,261	59,363

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	24,243	24,635
Fees received in advance	91,354	84,293
Trade creditors	34,442	52,107
Other creditors	4,882	2,221
Accruals	56,840	58,977
	<u>211,761</u>	<u>222,233</u>

11 Restricted funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Balance at 31 August 2018 £
AEN	4,596	3,066	(745)	6,917
	<u>4,596</u>	<u>3,066</u>	<u>(745)</u>	<u>6,917</u>

	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>7,154</u>	<u>(2,614)</u>	<u>4,596</u>

The AEN fund is monies 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 2018

12 Unrestricted funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2018 £
General fund	43,669	2,058,505	(1,857,819)	(100,508)	143,847
Designated funds:					
Property Asset Fund	1,334,672	-	(86,509)	54,656	1,302,819
Bursary fund	37,260	-	(11,704)	45,852	71,408
	<u>1,415,601</u>	<u>2,058,505</u>	<u>(1,956,032)</u>	<u>-</u>	<u>1,518,074</u>
	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)	(113,898)	43,669
Designated funds:					
Property Asset fund	1,329,754		(89,663)	94,581	1,334,672
Bursary fund	28,620		(10,677)	19,317	37,260
	<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 represented by monies spent on the tangible fixed assets of the charity (note 10).

The transfer of £54,656 (2017: £94,581) from the free reserves represents the funds spent on fixed assets in the current year.

The resources expended of £86,509 (2017: £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.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Analysis of net assets between funds

	General fund	Designated	Restricted Fund	Total
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible assets	-	1,302,819	-	1,302,819
Current assets/(liabilities)	143,860	71,408	6,917	222,185
	<u>143,860</u>	<u>1,374,227</u>	<u>6,917</u>	<u>1,525,004</u>
	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>

14 Share capital

	2018 £	2017 £
Authorised		
13 Ordinary shares of £1 each	13	11

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.

15 Operating lease commitments

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

	2018 £	2017 £
Within one year	3,432	480
Between two and five years	6,594	1,920
In over five years	19,320	19,800
	<u>29,346</u>	<u>22,200</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>286,793</u>	<u>273,904</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.

Benjamin Hall, trustee, is a director of Signs Express Limited who supplied signs to the school at a cost of £2,021.

One governor received travel expenses totalling £406 during the year (2017 : £258). 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 £664 (2017 : £944) were paid by the school in respect of indemnity insurance for the Governors.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Pension schemes

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £117,826 (2017: £115,636) and at the year-end £14,743 (2017 - £14,638) was accrued in respect of contributions to this scheme.

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

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

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. From September 2019 the amount employers will be required to pay towards the scheme will increase from 16.48% to 23.6%.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

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 £17,644 (2017: £13,644).

18 Cash generated from operations	2018 £	2017 £
Surplus/(deficit) for the year	104,794	(1,592)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	86,509	89,663
Movements in working capital:		
Decrease/(increase) in debtors	14,102	(4,174)
(Decrease) in creditors	(17,533)	(24,608)
Increase in deferred income	7,061	36,480
Cash generated from operations	194,933	95,769