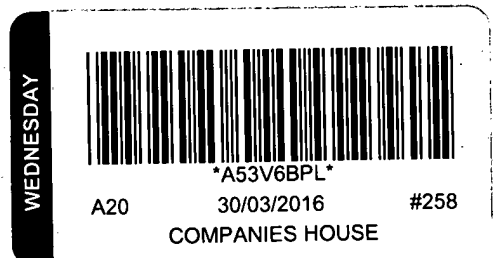


Company Registration No. 00556463
Registered Charity No. 309086

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015
FOR
HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)



HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2015

Key executives and Professional Advisors

HEADMISTRESS: Mrs J Heywood

BURSAR Mrs R Frier

BANKERS: Barclays Bank Plc
19 High Street
Ascot
Berkshire
SL5 7LB

SOLICITORS: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Mount Manor House
16 The Mount
Guildford
Surrey
GU2 4HN

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berks
SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Council presents its annual report for the year ended 31 August 2015 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The structure of the School consists of a governing body called a Council and under the Articles the members of the Council are elected at council meetings and each year one-third of council members will be retired by rotation. The number of serving council members shall not be less than ten or exceed twenty.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School, and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational & Pastoral, Marketing & Admissions & Communications and Compliance which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

The Members of the Council are listed below, and held office throughout the year under review:

Mr Steven Bishop, BA (Oxon) * (Chairman of Council)
Bishop Jonathan Baker, MA (Oxon), M Phil., Dip.Theol +
Mrs Sally-Anne Barrett *
Ms Penny Bristow, BSc (Hons) Lond, FRSA (Chair +)
Mr Charles Caminada * (Chair+++)
Mrs Charlotte Crofton, BA (Hons), PGCE + (appointed 2 June 2015)
Mr Tom Cross Brown, MA (Oxon), MBA (Insead) (resigned 2 June 2015)
Mr Roger Drage, LLB (appointed 23 April 2015)
Mr Guy Egerton-Smith, FRICS * (Chair **)
Mr Robert Gregory, BSc (Hons)
Mrs Jennifer March, BA (Hons), MSc, ACA (Chair *) (appointed 2 June 2015)
Ms Caroline Slettengren, BSc (Hons) (Chair ++) (resigned 4 November 2015)
Mrs Sally Tulk-Hart +
The Revd Canon Dr Philip Ursell, BA (Wales), MA (Oxon) +
Mrs Victoria Manduca, BSc Joint Hons (appointed 9 November 2015)

Finance Sub Committee Member *, Buildings & Development Sub Committee Member **, Education & Pastoral Sub Committee Member +, Compliance Sub Committee Member ++, Marketing, Admissions & Communications Sub Committee Member+++.

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary and higher education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Headmistress and other existing Governors. They are proposed by the Chair of Governors. Once appointed, new Governors are inducted into the workings of the school including Board Policy and Procedures. Training needs are identified by the board of Governors and the appropriate courses are booked.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Bursary and scholarship policy

In accordance with the wishes of the Governors to extend the benefit of the School's facilities and education to those people in the community who might not be able to fund their education, the School has continued to try to offer as many bursaries as it can. The availability of bursaries is publicised on the School's website and in the admissions literature sent to prospective parents. The Governors' policy is to award bursaries on the basis of outstanding academic ability. The bursaries are available to provide financial support for up to 50% of the annual fees. All bursaries are means tested. During 2015 a total of £281,643 (2014: £282,870) was awarded in bursaries.

In September 2010, the School's Grant-making policy was changed to be more in line with Charity Commission recommendations. All available grants are for Bursaries, which are means tested.

We have improved the rigour of the scholarship programme to ensure the brightest pupils are identified and rewarded at entrance level, encouraging the brightest pupils to take up a scholarship at Heathfield if they are awarded one.

The scholarship awards contain a small financial incentive to make them more attractive to potential parents who may be considering a number of schools.

Chapel

In acknowledgement that our students are more than minds that need nurturing or bodies that need training, as they grow, we recognise their need to come to terms with their spirituality.

The Chapel provides a place of peace and quiet reflection, where that spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

The Chaplain is a central figure in school life. Father Tim Tregunno leads Chapel services during the week, on Sundays and on special occasions. He is available to all members of the school community and the school's extended community for pastoral care.

Group Structure and Relationships

The Heathfield Foundation which is a separate entity provides a dedicated structure for the creation of a philanthropic culture amongst its current and former parents and pupils.

The Heathfield Fellowship which is another separate entity continues to raise money to enable daughters of old girls and other pupils to attend the school, and contributes towards other charities.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 26th October 1955 as amended 28th November 2007.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Aims and Intended Impact

Heathfield School aims to provide the best possible education for every single girl in its care by linking its outstanding pastoral care to excellence in the classroom. Without upholding its outstanding and renowned standards of pastoral care, Heathfield believes each girl will not fulfil her academic potential. By linking these two so closely, Heathfield aims to extend each girl, unlocking her potential. Our value added results for girls at Heathfield are consistently outstanding.

Inside and outside the classroom, Heathfield provides exemplary opportunities for each girl to develop and grow in line with our LERGG policy – Learn Extend Respect Give and Grow. The school has a wide and ever-changing variety of daytime, evening and weekend extra-curricular activities available to the girls, for example musical students can join the school band or orchestra or even the A Cappella Group while opportunities in the arts and drama include Art and Drama Clubs respectively and even a Life Drawing class for older students. Subject clinics are run for subjects the girls might

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

need extra help with and national competitions are also entered, for example the Crest Science Awards. Enrichment is provided by clubs like the Athena Society - where girls can visit exhibitions, talks and debates and discuss the arts and current affairs – and the Debating Society where girls debate against each other and other schools.

Opportunities in Sport are also first-class. As a small school, girls have the best possible opportunities to represent their house and school in a variety of sports. Equestrian sport is also well represented and girls have the opportunity to learn to ride and even learn how to play polo.

Girls at Heathfield are also encouraged to play a part in the community outside Heathfield through the school's Volunteering Club and other opportunities. For example, girls have regularly helped at a homeless shelter in Slough and have fundraised for the shelter, as well as helping out at local old people's homes and helping provide goods for a local food bank through a Harvest Festival initiative. The Duke of Edinburgh Awards are also available to girls with an excellent uptake.

During the last year and beyond, Heathfield's ongoing push on raising academic standards has been relentless and it is starting to show excellent results. We have also worked hard to increase pupil numbers.

Objectives for the year

- To maintain and develop the school's academic performance
- To continue to grow and boost admission numbers
- To maintain and provide a first class boarding experience
- To improve and increase awareness of the school and what it stands for at local, regional and national level
- To complete work on our first planned new capital project: the STEM building

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions, Academic Strategy and Monitoring

Admissions

It was agreed during 2014-5 that Heathfield would admit day girls for the first time in the academic year 2015-6. From the level of initial interest, the school expects day girl numbers to grow organically in the first year with appropriate promotion beyond.

The decision to admit day girls was made as a result of the perceived growing interest in day places from parents in the surrounding area and the increase in enquiries to Heathfield for day girl places.

Day girls will lead a full part in the life of the school alongside the school's boarders and will have every opportunity to take part in all the activities on offer at Heathfield. They will be full members of the school, other than going home to sleep.

We continue to work hard to promote Heathfield through direct contact with our key target prep schools. We have also targeted prep schools who do not currently send us their brightest pupils – or who have not sent us any pupils for some time - to find out why Heathfield is not recommended by them and how we can change that and change their perception of the school.

In the last year, we have done the above through direct contact and through a professional review: a report was carried out by RSAcademics on our behalf with presentations to the Governing Body on RSAcademics' recommendations for looking at Heathfield's boarding model and looking at how best to attract pupils from leading prep schools in and around London.

We have also developed an ongoing programme of prep school head visits for Jo Heywood and prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

Our Spectrum Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

In the 2015-6 academic year, we will enter the first two year A Level cycle for some years. We are entering it well-prepared because the more regular testing we introduced last year and the inputting into the monitoring and tracking system, as described above, has enabled us to pre-identify girls who need extra help in such a system so valuable time is not being wasted during this crucial period for them.

In 2017, when the current Lower Sixth sit their A Level examinations, their entire courses will be tested on final examinations, so the background work we have been putting in on our monitoring and tracking systems will help to support these candidates as they head towards unfamiliar territory.

Our recently-appointed Spectrum Head of Department has also been overseeing the merger of Spectrum and the EFL department this year and successfully reconfiguring the responsibilities of the department as well as re-analysing and re-evaluating the needs of pupils who need help from the department so that all staff are aware of each girl's needs.

Academic Performance

Our summer 2015 A Level students performed extremely well, with 90% A*-C grades and 40% A*-A grades. The results saw all of our pupils confirming their first choice places at top UK universities including Bristol, Exeter, Reading, Edinburgh, Newcastle and the University of the Arts London and at international institutions including the University of British Columbia in Canada.

Again, our GCSE results augur well for the future with more than one in five of our candidates achieving at least 6 A*-A grades each in their GCSE examinations. Two girls were awarded a string of 11 A*-A grades each – with 17 A* grades between them. Three others recorded at least 9 A*-A grades each.

Two-thirds of all the GCSE exams taken by Heathfield pupils, including GCSEs sat early, were awarded the highest A*-B grades (68%) with 40% achieving all A*-A grades.

Scholarship programme

Our scholarship programme, which was reinvigorated last year, has continued to grow in profile inside and outside the school. The scholarships were reinvigorated to ensure we attracted the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

The scholarship awards contain a small financial incentive to make them more attractive to potential parents who may be considering a number of schools.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on the academic. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives introduced to highlight and praise the girls' academic achievements such as special assemblies and the High Flyer award are also proving popular and successful and are having a positive effect on the girls' achievements and their pride in them. We will continue to build this new initiative, ensuring it boosts the culture of learning at Heathfield.

Public relations and speeches

Again, we are ensuring that a coherent message about the academic strengths of the school is carried throughout the school's communications including those with the media and speeches made by Jo Heywood and other senior staff, for example to prospective parents on Open Days- prep school head event dinners in schools or at school events including the new Fifth Form into Sixth Form event which will be launched in the next academic year. We have analysed recent degree levels of past students and used these impressive statistics in our communications, alongside figures on Heathfield being one of the leading schools in the UK at adding value to girls' academic achievements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Marketing materials

The school's academic successes are also highlighted throughout our newsletters and marketing materials.

This year we have advertised for our first Director of Marketing and Admissions – who will start in the next academic year. The role was created to push forward the work of these two departments in promoting the school and attracting more pupils.

Internal and External Communications

Stakeholder Communications

Stakeholder communications are continually developing in response to recommendations of the most recent inspection reports.

Staff

The staff appraisal system, which we launched in September 2014, has been developed and internal research has been carried out into the IT knowledge and understanding of staff with a view to training being given where necessary.

Parents

We continually review the best ways of reporting girls' progress to parents.

Parents and pupils

We have introduced regular questionnaires to improve our communications with girls and parents. We respond to feedback and incorporate this in our School Development Plan which is continually reviewed by the Senior Leadership Team.

Website

The website continues to be a key marketing tool of the school. It is kept updated with news on the school and is adapted as and when necessary.

Social Networking

Social networking is a key part of our communication with our stakeholders and with major players in the education world. Twitter is currently overseen by the Director of Communications (see PR section) with school event input from the Head and from Marketing.

Development strategy

This year, we started with an external development consultant on fundraising. This fundraising is vital for the future of the school and is showing initial signs of success, both in fund-raising for the STEM project and for future projects.

Press and media

Over the last few years, we have built a name for Heathfield in the national media for the first time and we have successfully positioned ourselves as a key commentator in the national and education press. Year on year, we continue to build on our media profile and to raise the school's profile. Over the last year, we have successfully placed high profile and regular comments, comment pieces and news stories in the national and international press, on regional radio in the UK and across the education press, and we have succeeded in leading the news agenda on a number of occasions, one of our key objectives in launching a media relations campaign.

We have also received a number of outstanding reviews in the national press in influential school guides.

Our media relations work this year has enabled us to keep Jo Heywood in the public eye as a leading figure in education and thus the school as a leading modern independent girls' school.

We have appeared in articles across the national media and national education press. These include a by-lined comment article by Jo Heywood in June in the Telegraph on the importance of pastoral care alongside academic achievement. This article was placed to reinforce the ethos of the school that outstanding pastoral care is as important as if not more important than academic achievement. This is a theme which we have revisited several times and which has gained credence and become very popular in education circles.

Our own Twitter feed, which is currently managed by the PR Department attracts over 2000 followers, having more than trebled since it was taken over and supplied with stories about the school and topical education and news stories each day. Our own press coverage is retweeted and the Head's blog is sent out on our Twitter feed.

To put this in context, we have more Twitter followers than most of our competitors, particularly if you take into account the relative sizes of our schools. Twitter is a very useful, instant medium to filter news about the school and to promote our opinions on education issues.

The Head's blog is also used to comment on topical issues, and where possible, comments from these blogs are used for stories in the press.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Other members of staff

From July 2015, the work of the Marketing Manager was brought into the PR Department pending the appointment of the new Director of Marketing and Admissions (who will join the school in November 2015) and the return of the Marketing Manager from maternity leave.

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

In the Summer 2015 examination season at A Level, eight in ten girls achieved at least one A*-A grade in their exams while a third of the girls achieved at least two A*-A grades in their tally of examinations. 70% of A Level exams taken at Heathfield scored A*-B grades.

Candidates achieved an exemplary clean sweep of A*-A grades in Art and Design, Spanish, German and Russian with all A*-B grades in History of Art and Music.

The results see pupils confirming places at top UK universities including Bristol, Exeter, Reading, Edinburgh, Newcastle and the University of the Arts London and at international institutions including the University of British Columbia in Canada. Subjects the girls will read include Politics, History, Geography, Graphic Design, Food Science and International Business.

At GCSE more than one in five Year 11 students have achieved at least 6 A*-A grades each in their examinations. Two girls were awarded a string of 11 A*-A grades each – with 17 A* grades between them. Others recorded at least 9 A*-A grades each.

Two-thirds of all the GCSE exams taken by Heathfield pupils, including GCSEs sat early, were awarded the highest A*-B grades (68%) with 40% achieving all A*-A grades.

In the core STEM (Science Technology Engineering and Mathematics) subjects, all the girls performed strongly with 100% achieving all A*-C grades in Mathematics and Biology and nine in ten (92%) achieving all A*-C in Chemistry and Physics.

Girls also scored impressively in modern foreign languages with all A*-A grades in Chinese and Russian, 85% scoring A*-B grades in Spanish and seven in ten scoring A*-B grades in French. One Year 8 British student sat GCSE French three years early and achieved an outstanding A* grade.

Other top-performing subjects include History (100% A*-B), Music (100% A*-B) and Latin (100% A*-B).

Sport

It has been a successful year on the sporting field for Heathfield. In Lacrosse the U14 team narrowly lost out on goal difference in Division Two at the West Schools' Tournament whilst two senior teams entered the National Schools' Championships for the first time. The 1st team won their division and narrowly lost in the quarter finals in extra time and despite not winning a large number of games the 2nd team performed extremely well.

A Form V and a LVI pupil were selected to represent U19 Berkshire B and A teams respectively, playing at the South West Counties Lacrosse Tournament. A LVI pupil was selected to represent South West Regional Lacrosse Academy A Team and was selected for the U16 England Development Squad, whilst a Form V girl was selected for the U16 Regional Development Squad.

In Netball, the U14 team finished third against tough opposition at the Ascot Schools' Tournament.

The School Ski team competed in the British School Girls' Ski Racing competition in Flaine. One of the Form IV girls won silver in the U14 Giant Slalom and silver in the U14 Combined Slalom, as well as winning a bronze. She was also awarded the Kandahar Prize for Racing Potential which earned her one week's training at the Kandahar Race Camp in Austria.

The U15 and U14 Rounders teams were victorious at the Ascot Schools' Tournament with the U14A and B teams playing each other in the semi-finals.

Once again the Prep Schools' Netball and Swimming events were well attended and this year we introduced a summer 'Have a go at Lacrosse Day' which proved to be a great success.

Many thanks must go to the Heathfield Parents Association for buying another treadmill and bike for the fitness suite as this resource continues to be well used and a popular choice for many of the girls.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Finally, Heathfield's Director of Sport Wendy Reynolds was selected as the only European Technical Delegate Official at the U19 Lacrosse World Cup held in Edinburgh.

Extra Curriculum Activities:

Music

In September 2014 we were delighted to play host to a piano recital given by seventeen-year-old Robert Cheung, a local pianist and winner of the Ascot Rotary Young Musicians' Competition, which was an inspiration to our girls. Two days later was the Inter-House Singing Competition, won this year by de Valois. In October, Izzy Andrew and Antonia Dafinone gave their Music Captains' Concert which included an arrangement by Music Scholar, Diana Chinalieva, of "Pirates of the Caribbean". Also in October, Miss Kong took the GCSE and A Level Musicians to a concert at the Cadogan Hall, comprising orchestral works by Tchaikovsky, Sibelius and Schumann. The highlight of the term was the biennial Choir Tour to Venice in October, where we sang at the church of the Santa Maria dei Miracoli, the English International School in Padua and Mass at St Peter's Basilica. In November, we joined forces with the Lamda Department for our termly Music/Lamda concert, which ended with the Heathfield Band, "The Remedies" playing "Inside Out" by Imelda May. The term was rounded off by our biennial Fellowship Carol Service at St Peter's Church, Eaton Square, where Heathfield joined forces with two of our feeder schools, Cowarth Flexlands and Garden House Preparatory School. The musical highlight of the Service was the joint item, "Shepherds and Angels" by Beryl Price, accompanied by the Heathfield Orchestra, and combining well over one hundred young voices from the three schools as well as the voices of the congregation.

In January, 2015, Miss Kong took the a cappella group to a workshop at King's Place, London, given by "Countermeasure" another a cappella group. Also in January, the Top 12 sang at our Confirmation Service given in our own Heathfield Chapel of the Ascension. We were delighted to be able to welcome Sir Tom Oakshott, uncle of Jemima, and organist at Eton College, as our guest organist for the afternoon. In February, Antonia Dafinone and Phoebe Parker took part in the Ascot Rotary Competition at Charters School in Ascot. Phoebe won her heat and went on to the Area Finals in Reading, but was pipped to the post in that round. In March, we welcomed Mr James Bryant, Master in Charge of Piano and Keyboard at LVS, to adjudicate our House Music Competition, this year won by Seacole. In March, the Choir went to see Mrs Dance's production of "Hairspray" at The Haymarket Theatre in Basingstoke, which prompted a performance by the choir at our Music, Lamda and Fashion Show later that same month.

In the Summer Term, we were privileged to host a recital given by Randy Mayfield and his band. Randy is an American singer-songwriter and pastor, and his music was truly inspirational. The Heathfield Orchestra were delighted to be invited to play "You Raise Me Up" with Randy's band and Randy encouraged the audience to join in with his glorious tenor voice. In February, the Music department gave its third Lunchtime Concert, featuring Sophie Drysdale, Vasilisa Koroleva, Flavia Camerlingo, Harriet Hooper, Harriet Colley, Amber Milligan and Tansy Adam. In June, we gave our final Music/Lamda Concert of the year, where the Form I Choir joined forces with the Staff Choir in "I Believe In Springtime" by John Rutter. Sasha Khaneeva designed a beautiful front cover for the programme, and these are fast becoming a trademark of the Music Department. Form I visited Sandridge House again this year and sang and played for the residents there as well as serving them tea. The term was rounded off by a Parents' Day concert in the theatre and Leavers' Service in the Chapel.

Equestrian Events at Heathfield

Heathfield has a large and active equestrian department and Heathfield riders have once again had an active year.

The Heathfield show jumping team once again competed at the Royal Windsor Horse Show in the Inter School Show Jumping Challenge, with top British show jumper Sophie Fawcett advising. Several of our girls regularly take part as individuals with great success on their own horses at national one day events and show jumping events. One Heathfield girl and her team from the Warwickshire Hunt Pony Club won the Prince Philip Cup, becoming the mounted games winners at the Horse of the Year Show in 2014. Another pupil won the Tigré Marble Junior International Dressage Championship Challenge Trophy at Sheepgate.

Polo continues to thrive with 24 girls taking weekly lessons with our professional coaches at the Royal Berkshire Polo Club and Fifield Polo Club. Polo matches have been played against teams including St George's, St Mary's, Wellington and the Dragon Prep and we have also played the boys' teams from Eton and Harrow on several occasions. Heathfield polo teams also compete in the SUPA National Tournaments with great success.

We were invited by the Jockey Club to a countryside race meeting at Sandown in October. Heathfield joined Harrow, Eton, Tudor Hall and Marlborough for an exclusive lunch and trips to the weighing room, steward's offices and the start of a race.

Heathfield's more advanced riders attend the Honourable Artillery Company based in the centre of Windsor Great Park, where they have lessons in show jumping, hacking in the park and military riding with swords.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Lecture programme

Heathfield's nominated school charity for 2014-15 was The Honeypot Children's Charity and in January we were delighted to welcome Nicky West, together with 'Bumble', to talk about their work. The charity provides much needed respite for young carers, aged 5-12 years, at Honeypot House, its residential centre in the New Forest, where youngsters can enjoy the freedom of normal childhood activities. Honeypot also supports vulnerable children who are victims of abuse and neglect, whilst their Playbus forms part of their outreach service. Honeypot also gives long-term support, providing a lifeline to those who are having to cope with very difficult challenges. Hearing some of the heart-rending stories was incredibly moving and gave us further incentive to support such a worthy charity.

On March 10th, we were honoured to welcome Noreen Riols, one of the last survivors of 'Churchill's Secret Army', to talk about her role in supporting the French Resistance during World War II. Noreen, now a sprightly 88, was recruited into the Special Operations Executive (SOE) at just 18 years old. Having only recently been allowed to talk about her experiences, due to the 50-year covenant in the Official Secrets Act, Mrs Riols held her audience spellbound as she told them about the fate that awaited SOE operatives in occupied France if they were captured by the SS and how she trained special agents.

At the beginning of the summer term we were privileged to meet Elizabeth Gowing, co-founder of The Ideas Partnership NGO, which uses the power of volunteers to tackle educational, environmental and cultural challenges in Kosovo. Heathfield had already forged a link with this little-known charity, as one of our teachers had previously volunteered for them and organised shipments of donated clothes. It was both enlightening and inspiring to hear Elizabeth's story first-hand and to learn how a chance meeting with Hatemja, the wife of a rubbish-picker, whose nine-year-old daughter was not accepted for schooling in Kosovo, had led her to teach the girl herself, and so began her relationship with this community. Elizabeth told us how the charity has grown over the last six years, from helping children to access education to working for the community as a whole, bringing hope to the disadvantaged Ashkali people. The charity has also enabled women to make various crafts, bringing a sense of ownership to those who have spent their lives disenfranchised. In Summer 2015, a group of five girls and three staff from Heathfield went to Kosovo to volunteer with this remarkable charity.

In June we welcomed Adam Afriyie, MP for Windsor, as our guest speaker. He told us how he was brought up in a deprived area of Peckham and vividly recollects at 8 years old sitting on the pavement, wondering how he was going to make his way in the world so he could take care of his family. The girls were fascinated to hear his story of his early life and rise in politics and asked many perceptive and wide-ranging questions, showing an engaging interest in politics. They said that they found his talk both inspiring and motivational and were delighted to be invited to visit the Westminster Parliament later in the year.

LAMDA and Dance

Girls achieved a stunning 100% pass rate, with 25 Distinctions and 20 Merits in LAMDA examinations this year. Girls achieved 15 Grade 6-8/ Medals, all with Distinction or Merit. Medals are now awarded UCAS points. One Lower Sixth former was awarded 93% for Grade 7 LAMDA.

In Dance, another was awarded a Distinction for RAD Grade 8 in Classical Ballet.

Over 50 LAMDA and Dance girls have taken part in four Performing Arts concerts this year, including the hugely successful Performing Arts and Fashion Show. They have entertained and impressed with their talents in Acting, Ballet, Street Dance and Musical Theatre.

Working with the Community

The School continues to take an active role in the community, inviting groups to use our facilities and raising money for a wide variety of charities.

Heathfield's main fundraising event, St Nicholas Stalls, raised an impressive £14,300 for charity and the money was given to Maggie's Centre, Plan UK, Huntington's Disease Association, BEAT and Youth at Risk.

In addition, girls staged a charity 'Supermarket Dash' for Harvest Festival after which all the food was donated to St Saviour's Priory and a food bank in Bracknell. Money was also raised for the girls to prepare food packs for the local homeless shelter where they spent the afternoon with the visitors to the shelter.

Sixth Form Girls went to the Athenaeum Club in London to help with the charity Women's Education Partnership fundraising event. They learnt about the aims of the charity: educating women in the Sudan and South Sudan. A representative of the charity visited the school to speak about their work to all the girls during an assembly.

As mentioned, Elizabeth Gowing, the British founder of Kosovan charity *The Ideas Partnership*, was invited to Heathfield as part of the preparations for the trip to Kosovo that five girls and three members of staff took in the first week of the summer holidays. A donation was made to *The Ideas Partnership*, to help fund trips to hospital for people who could not otherwise afford it.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Heathfield held a firework display for the girls, staff and their families and the school ran a Prep Schools Netball Tournament, a Prep Schools Swimming Gala and a Prep Schools Lacrosse coaching session event.

Reunion events were held for Heathfield Old Girls at both Heathfield and the Lansdowne Club, Mayfair along with a Fellowship Carol Service at St Peter's, SW1.

Heathfield's swimming pool is an approved training centre for swimming, teaching and coaching and people travel from all around the country to attend the courses on offer.

Approximately 50 people qualified as swimming teachers in our pool and around 300 free swimming lessons were provided to the community. We also ran a PADI Instructor Course. Hundreds of children attend swimming lessons each week via Frogs and Friends Swimming School and in addition 60 birthday parties have been held at the school pool. The pool is used by a number of community groups including The Open Heath Clinic, Kennel Lane School, Nick Gillingham MBE, Natures Nursery, The Scuba Trust and The Institute of Swimming.

Heathfield continues to work towards achieving the Eco Schools 'Green Flag' Award which is the top accolade a school can achieve. Awareness campaigns were run, litter picks took place and the recycling of clothes, batteries, ink cartridges, paper, cardboard and food oil all took place. The Heathfield Eco Committee is eager to promote activities which embrace the Three Rs of the environment: REDUCE-REUSE-RECYCLE and want to ensure that this message is heard in all areas of school and boarding life at Heathfield.

An Annual Heathfield Networking Evening was launched at the Lansdowne Club in London, where Sixth Form girls networked with the Heathfield Old Girls. Rosie Stancer (née Clayton, Heathfield 1971-1976), Polar Explorer, was key speaker.

Sixteen girls completed their Bronze Duke of Edinburgh Award and three girls completed their Gold. The girls attended an awards ceremony at Windsor and Maidenhead's Annual Youth Awards.

A French exchange took place and pupils from the Centre Dainélou, Paris had the opportunity to experience school life at Heathfield and our surrounding towns and cities.

Homeless Help, running for 10 weeks from 1st January, gave girls the opportunity to raise funds and provide meals one evening a week for the guests at the night shelter in Slough.

Staff

The Directors wish to express their gratitude to the Headmistress, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Board is pleased to announce the accounts for the year show a surplus of income over expenditure of £473,522 (2014: £169,702). As a registered Charity all surpluses are applied for the benefit of the school.

Fee income after bursaries, scholarships and discounts has increased by 7.4% in the year on the back of a rise in pupil numbers. Pupil numbers for the 2015-16 academic year should improve with the ongoing work with prep schools.

At 31 August 2015 the school had net assets of £13,040,992 (2014: £12,567,470), of which freehold property accounts for £10,974,280 (2014: £8,867,556). This is a vital area of focus for the school as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash outflow of £1,427,840 (2014: £697,198) occurred, however this is after further investments in bonds of £884,555 (2014: £749,913) as well as significant investment in the STEM building project. Cash from operating activities continues to be positive with a net inflow of £951,733 (2014: £474,695) in the year.

The Board considers that the school is on a sound financial footing and views the future with optimism. At the year end, the school held cash balances of £1,676,206 (2014: £3,104,046) and investments of £1,997,166 (2014: £1,841,795).

Reserves Policy

During the year £2,569,481 (2014: £407,236) was spent on capital improvements. The Governors' are of the opinion that the reserves on the Income and Expenditure account of £13,040,992 (2014: £12,567,470) are sufficient to meet the school's obligations for the foreseeable future (see note 14 on page 24 for note on reserves).

The school continues to expend significant amounts on maintenance to keep the buildings in good order and provide an appropriate attractive learning environment for pupils and staff.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income.

Future Plans

The school is continuing to work hard to raise academic standards and to attract academically able pupils to the school. We believe that improving academic standards will lead to more parents considering Heathfield as their first choice school. We will also look at streamlining the academic curriculum to ensure we can focus our attention on raising academic standards.

The STEM building was completed for the start of the 2015-16 academic year and a further two building projects have been granted planning permission.

PRINCIPAL RISKS AND UNCERTAINTIES

Revenue risk

The risk of adverse economic conditions reducing revenues is reduced by our focus on providing an outstanding education and excellent pastoral care to pupils. Additionally, the Governors' are open to alternative options such as day boarding in order to generate revenue in economically challenging times.

Cash flow risk

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of the building projects will be reduced by extensive forward planning by the Governors', coupled with significant cash balances held by Heathfield which can be utilised as required.

Credit risk

Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Through the risk management processes established for the School, the Governors' are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agendas for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors' (who are also the directors of Heathfield School Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors' are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the company will continue in business.

The Governors' are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Governors' are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act) of which the charitable company's auditors are unaware, and each Governors' has taken all the steps that they ought to have taken as a Governors' in order to make themselves aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The Auditors, Wilkins Kennedy, have expressed a willingness to continue in office as Auditors and a resolution proposing their reappointment will be submitted at the next General Meeting.

BY ORDER OF THE BOARD



Trustee
Mr Steven Bishop

Date 2-3-16

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEATHFIELD SCHOOL LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015**

We have audited the company financial statements of Heathfield School Limited for the year ended 31 August 2015 on pages 15 to 28. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Heathfield School Limited for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEATHFIELD SCHOOL LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015

Opinion

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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Trustees' Annual Report is consistent with the financial statements.

Wilkins Kennedy LLP

Robert Southey (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Mount Manor House
16 The Mount
Guildford
Surrey
GU2 4HN

Date 7th MARCH 2016

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	31.08.15 Unrestricted Fund	31.08.14 Unrestricted Fund
INCOMING RESOURCES		£	£
Incoming resources from charitable activities			
School fees	1a	6,874,541	6,414,805
Incoming resources from generating funds			
<i>Activities for generating funds:</i>			
Donations received	1b	295,471	72,623
Rental income	1b	93,940	97,038
Other incoming resources	1b	18,844	22,846
Investment income	1b	4,362	30,774
Total incoming resources		7,287,158	6,638,086
Resources Expended			
Charitable activities	3b	6,738,456	6,446,674
Cost of generating funds	3a	6,660	3,106
Governance costs	3c	102,024	41,950
Total resources expended		6,847,140	6,491,730
Net income for the year		440,018	146,356
Other recognised gains and losses			
Unrealised gains on investment assets		33,504	23,346
Net income for the year		473,522	169,702
Fund balances brought forward at 01.09.14		12,567,470	12,397,768
Fund balances carried forward at 31.08.15		13,040,992	12,567,470

All amounts derive from continuing activities

All gains and losses recognised in the year are included in the Statement of Financial Activities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	31.08.15	31.08.14
		£	£
FIXED ASSETS			
Tangible assets	8	11,833,545	9,667,386
CURRENT ASSETS			
Investments	9	1,997,166	1,841,795
Stocks	10	12,952	15,962
Debtors	11	1,581,203	1,554,001
Cash at bank and in hand		1,676,206	3,104,046
		<u>5,267,527</u>	<u>6,515,804</u>
CREDITORS - Amounts falling due within one year	12	<u>(3,447,073)</u>	<u>(2,919,116)</u>
NET CURRENT ASSETS		<u>1,820,454</u>	<u>3,596,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,653,999</u>	<u>13,264,074</u>
Creditors Amounts falling due after more than one year	13	<u>(613,007)</u>	<u>(696,604)</u>
Net assets		<u>13,040,992</u>	<u>12,567,470</u>
FUNDS	14		
Unrestricted funds			
Income and expenditure account		<u>13,040,992</u>	<u>12,567,470</u>
School Funds		<u>13,040,992</u>	<u>12,567,470</u>

Approved by the Board of Governors of Heathfield School on 2/3/2016 and signed on its behalf by



TRUSTEE

Mr Steven Bishop



TRUSTEE

Mrs Jennifer March

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015	2014
		£	£
Net incoming resources before other recognised gains and losses	16	951,733	474,695
Returns on investment and servicing of finance	17	15,052	27,668
Capital expenditure and financial investment	17	(2,394,625)	(1,199,561)
Decrease in cash		<u>(1,427,840)</u>	<u>(697,198)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the period		<u>(1,427,840)</u>	<u>(697,198)</u>
Changes in debt resulting from cash flows		<u>(1,427,840)</u>	<u>(697,198)</u>
Movement in debt in the period		<u>(1,427,840)</u>	<u>(697,198)</u>
Net funds 1 September 2014		<u>3,104,046</u>	<u>3,801,244</u>
Net funds 31 August 2015	18	<u>1,676,206</u>	<u>3,104,046</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

ACCOUNTING CONVENTION

The financial statements have been prepared under the Companies Act 2006 on the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: The Charities SORP 2005.

The principle accounting policies of the company are set out below.

INCOME

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Trustees.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all other 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.

GRANT MAKING POLICY

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

TANGIBLE FIXED ASSETS

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives

Freehold buildings – St Mary's Theatre	2%
Freehold buildings – Access road	10%
Freehold buildings – Other	Nil
Swimming pool	3 1/3%
Equipment	10% - 20%
Motor vehicles	20%

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

TANGIBLE FIXED ASSETS (cont)

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as it is immaterial, due to the high residual value. The school also has a thorough maintenance programme to keep buildings in good repair, and an annual insurance review is carried out.

Annual impairment reviews are undertaken by the trustees in conjunction with appropriately qualified third parties.

INVESTMENTS

Investments are shown at mid-market values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted funds.

STOCK

Stock is valued at the lower of cost and net realisable value.

PENSION COSTS

The Charity participates in three pension funds.

1. Teachers Pension Scheme. It contributes to the Teachers Pension Scheme at rates set by the Teachers Pension Agency, part of the Department of Education and Skills on a monthly basis. The contributions are expensed to the Statement of Financial Activities.
2. The Pensions' Trust. This is a defined benefit scheme for non-teaching staff. The contributions are expensed to the Statement of Financial Activities. This scheme is closed to new entrants.
3. The Pensions' Trust. This is a defined contribution scheme for non-teaching staff, the assets of which are held separately from those of the company. The contributions are expensed to the Statement of Financial Activities.

BENEFITS IN KIND AND GIFTS

Gifts donated to the school and any services provided by the Trustees have been included in the financial statements.

LEASING COMMITMENTS

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

FUND ACCOUNTING

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

RESERVES

All reserves have been built up over the years to be used in various projects such as the building of new accommodation and computer facilities for the pupils.

The Trustees have set aside reserves in order to protect the future operations of the charity from the effects of any unforeseen variations in its income stream as part of the policy of good financial management practice.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1	Analysis of incoming resources			2015	2014	
	(a)	Charitable activities		£ Total	£ Total	
		Fees receivable		6,163,327	5,757,034	
		Less bursaries, scholarships and discounts		(281,643)	(282,870)	
				5,881,684	5,474,164	
		Summer school		515,803	508,532	
		Extras and disbursements		477,054	432,109	
				6,874,541	6,414,805	
(b)	Generating funds – Unrestricted					
		Donations received		295,471	72,623	
		Rental		93,940	97,038	
		Other :				
		Registration fees		15,602	20,774	
		Non-ancillary trading income		3,242	2,072	
		Investment income:				
		Interest received		21,712	30,774	
		Loss on disposal of investments		(17,350)	-	
			412,617	223,281		
2	COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS					
		School		4,678,602	4,614,687	
		Summer school		347,959	368,542	
		Extras and disbursements		463,601	388,739	
			5,490,162	5,371,968		
3	ANALYSIS OF TOTAL RESOURCES EXPENDED					
				2015	2014	
		Staff Costs	Other Costs	Total		
		£	£	£	£	
	(a)	Cost of generating funds				
		Financing costs				
		-	6,660	-	6,660	3,106
		-	6,660	-	6,660	3,106
(b)	Charitable activities					
	Teaching	2,348,084	707,060	-	3,055,144	3,032,329
	Premises	1,160,242	871,454	403,322	2,435,018	2,339,639
	Support costs	778,332	469,962	-	1,248,294	1,074,706
		4,286,658	2,048,476	403,322	6,738,456	6,446,674
(c)	Governance costs					
	Legal fees	-	68,575	-	68,575	5,366
	Audit fees	-	14,500	-	14,500	14,000
	Professional fees	-	18,949	-	18,949	22,584
		-	102,024	-	102,024	41,950

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4	EXPENDITURE	2015 £	2014 £
	The operating surplus is stated after charging:		
	Depreciation – owned assets	403,322	362,637
	Loss on disposal of investments	17,350	-
	Staff costs (note 5)	4,286,658	4,257,589
		<hr/>	<hr/>
	Governance expenditure includes:		
	Auditors' remuneration – audit services	14,500	14,000
	Auditors' remuneration – other services	3,897	2,578
		<hr/>	<hr/>
5	DIRECTORS AND EMPLOYEES	2015 £	2014 £
	Wages and salaries	3,649,244	3,636,073
	Social security costs	305,997	313,019
	Pension costs	331,417	308,497
		<hr/>	<hr/>
		4,286,658	4,257,589
		<hr/>	<hr/>
	The average weekly number of employees during the period was as follows:		
	Teachers	44	46
	Teaching support, administration, catering, housekeeping, maintenance and grounds	81	90
		<hr/>	<hr/>
		125	136
		<hr/>	<hr/>
		2015 £	2014 £
	Employees earning £60,000 per annum or more received remuneration in the following band		
	£60,000 - £70,000	1	1
	£70,001 - £80,000	1	-
	£80,001 - £90,000	-	1
	£90,001 - £100,000	1	-
		<hr/>	<hr/>

During the year two trustees were reimbursed travel expenses totalling £1,227 (2014: £168 to 2 trustees). At the year end, £nil remained unpaid (2014: £nil).

No trustees received any remuneration for services during the year (2014: £nil).

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6 INTEREST PAYABLE

	2015 £	2014 £
Financing costs	6,660	3,106

7 TAXATION

The charitable company is exempt from corporation tax on its activities.

8 TANGIBLE FIXED ASSETS

	Freehold Properties £	Equipment £	Total £
Cost			
At 1 September 2014	9,828,548	1,673,413	11,501,961
Additions	2,214,320	355,161	2,569,481
Disposals	-	(142,631)	(142,631)
	<hr/>	<hr/>	<hr/>
At 31 August 2015	12,042,868	1,885,943	13,928,811
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 September 2014	960,992	873,583	1,834,575
Charge for year	107,596	295,726	403,322
Eliminated on disposal	-	(142,631)	(142,631)
	<hr/>	<hr/>	<hr/>
At 31 August 2015	1,068,588	1,026,678	2,095,266
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2015	10,974,280	859,265	11,833,545
	<hr/>	<hr/>	<hr/>
At 31 August 2014	8,867,556	799,830	9,667,386
	<hr/>	<hr/>	<hr/>

Included within freehold property is total costs of £2,361,521 (2014: £155,639) in relation to assets under construction.

The insured value of the Main School, Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £38,131,919.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9 INVESTMENTS

	Listed investments £	Total £
Market value		
At 1 September 2014	1,841,795	1,841,795
Additions	884,555	884,555
Disposals	(745,338)	(745,338)
Unrealised gain in the year	33,504	33,504
Loss on disposal	(17,350)	(17,350)
	<hr/>	<hr/>
At 31 August 2015	1,997,166	1,997,166
	<hr/>	<hr/>

Of the investments held £1,622,276 (2014: £1,079,108) relates to M & G Charibond, £nil (2014: £762,687) relates to Tesco Personal Finance 1% RPI Linked 8 year Sterling bonds and £374,891 (2014: £nil) relates to Edinburgh Investment Trust Plc. All investments are listed on the London Stock Exchange.

10 STOCKS

	2015 £	2014 £
Household and consumable materials	12,952	15,962
	<hr/>	<hr/>

11 DEBTORS

	2015 £	2014 £
Fees receivable	1,373,593	1,343,884
Other debtors	138,353	122,346
Prepayments	69,257	87,771
	<hr/>	<hr/>
	1,581,203	1,554,001
	<hr/>	<hr/>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Fees in advance and deferred income	2,118,123	2,234,142
Trade creditors	156,955	71,447
Social security and other taxes	91,842	96,251
Accruals	579,762	200,416
Sundry creditors	364,991	223,015
Deposits held	135,400	93,845
	<hr/>	<hr/>
	3,447,073	2,919,116
	<hr/>	<hr/>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Deposits held	613,007	696,604
	<u>613,007</u>	<u>696,604</u>

14 RESERVES

	Balance at 1 September 2014 £	Incoming resources £	Outgoing resources £	Balance at 31 August 2015 £
Unrestricted reserves				
Income and expenditure account	12,567,470	7,320,662	(6,847,140)	13,040,992
	<u>12,567,470</u>	<u>7,320,662</u>	<u>(6,847,140)</u>	<u>13,040,992</u>

In respect of restricted reserves, there were no movements during the year, nor were there any restricted funds introduced.

15 CAPITAL COMMITMENTS

Capital expenditure of £nil (2014: £2,304,402) had been contracted for at the year end in relation to the building of a new classroom block.

16 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating surplus	440,018	146,356
Loss on sale of investments	17,350	-
Interest received	(21,712)	(30,774)
Interest paid	6,660	3,106
Depreciation	403,322	362,637
Decrease/(Increase) in stocks	3,010	(2,757)
(Increase)/decrease in debtors	(27,202)	9,452
Increase/(decrease) in creditors	130,287	(13,325)
	<u>951,733</u>	<u>474,695</u>
Net cash inflow from operating activities	<u>951,733</u>	<u>474,695</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Return on investments and servicing of finance		
Interest received	21,712	30,774
Interest paid	(6,660)	(3,106)
	<u>15,052</u>	<u>27,668</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,255,408)	(449,648)
Purchase of investments	(884,555)	(749,913)
Sale of investments	745,338	-
	<u>(2,394,625)</u>	<u>(1,199,561)</u>

18 ANALYSIS OF NET FUNDS

	At 1 September 2014 £	Cash flow £	Other non cash changes £	At 31 August 2015 £
Cash at bank	3,104,046	(1,427,840)	-	1,676,206
	<u>3,104,046</u>	<u>(1,427,840)</u>	<u>-</u>	<u>1,676,206</u>

19 INDEMNITY INSURANCE

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £650 was paid for public liability insurance (2014: £954). Included in this was professional indemnity insurance relating to the trustees.

20 COMPANY LIMITED BY GUARANTEE

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Total £
Capital expenditure and financial investment		
Tangible fixed assets	11,833,545	11,833,545
Current assets	5,267,527	5,267,527
Current liabilities	(3,447,073)	(3,433,861)
	<u>(613,007)</u>	<u>(613,007)</u>
Creditors due in more than 1 year	(613,007)	(613,007)
	<u>13,040,992</u>	<u>13,040,992</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22 TRANSACTIONS WITH RELATED PARTIES

There have been no transactions with trustees during the year other than those disclosed in note 5.

The Chairman of the School is a member of the Governing Body of Heathfield School Foundation Limited. The Foundation raises funds for the School to promote and advance any charitable purposes. At the year end, Heathfield School Foundation Limited owed £nil (2014: £nil) to the School.

The Chairman is also a trustee of St Mary's School Wantage Bursary Fund. The charity raises funds to support bursaries provided by the School. During the year an amount of £13,879 (2014: £13,619) was donated to the School and at the year end £nil (2014: £nil) was owed to the School.

The Heathfield Fellowship, a charitable company with common trustees, provides bursaries for students who attend the School. During the year £nil (2014: £7,760) was paid to the School on behalf of students and at the year end £nil (2014: £nil) was owed to the school.

23 PENSION OBLIGATIONS

The School employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Pensions Trust's Independent Schools' Pension Scheme (ISPS) for non-teaching staff. The former is a defined benefit scheme and the latter is a defined contribution scheme. In addition, a small number of employees belong to the Pensions Trust's Growth Plan (PTGP) defined benefit scheme however this is closed to new members.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS and PTGP are both multi-employer schemes. The School has accounted for its contributions to the schemes as if they were defined contribution schemes. The School has set out below the information available on the schemes.

Teachers' Pension Scheme

Introduction

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, where upon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

The superannuation charge represents contributions payable to the Scheme for the year ended 31 August 2015 of £394,519 (2014: £376,364). Contributions outstanding at the yearend were £33,729 (2014: £32,561).

The Pensions Trust's Independent Schools' Pension Scheme

During 2015 the School made contributions totalling £190,246 (2014: £142,694). Contributions outstanding at the year end were £14,791 (2014: £25,274).

The Pensions Trust's Growth Plan

The Trustees of the Plan commission an actuarial valuation every three years to determine the funding position. If the valuation shows a deficit, a recovery plan is agreed, this may require additional contributions to be made by the School.

The latest valuation was completed for the year ended 30 September 2011 and revealed a shortfall of assets over liabilities of 15.9%. The School has been advised that if it had intended to leave the Plan at 30 September 2014, its liability would have been £188,556. The School is required to make additional future contributions of £8,660 per annum from 1 April 2015 to make good this shortfall. No provision has been made for this liability as the School has no intention of leaving the Plan.

In 2015, the School made deficit contributions totalling £8,491 (2014: £8,244).