

Company Registration No. 00556463  
Registered Charity No. 309086

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017  
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 2017**

**Key executives and Professional Advisors**

**HEADMISTRESS:** Mrs M Gardiner Legge

**BURSAR:** Mrs R Frier

**SENIOR LEADERSHP TEAM:**

|                 |                                      |
|-----------------|--------------------------------------|
| Mr J Gale       | Director of Boarding                 |
| Mrs K de Ferrer | Director of Pastoral                 |
| Mr J Hart       | Director of Sixth Form               |
| Mr D Mitchell   | Director of Studies                  |
| Ms A Morgan     | Director of Marketing and Admissions |
| Mr M Taylor     | Director of IT                       |

**BANKERS:**

Barclays Bank Plc  
19 High Street  
Ascot  
Berkshire  
SL5 7LB

**SOLICITORS:**

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

**AUDITORS:**

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**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 2017**

The Council presents its annual report for the year ended 31 August 2017 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 2015.

**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 and Compliance, Marketing, Admissions & Communications and Nominations 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.

At the date of approval of the financial statements the Members of the Council are as follows:

| <b>Name</b>  | <b>Position</b>               |
|--|-------------------------------|
| Mr Tom Cross Brown, MA (Oxon), MBA (Insead)              | Chair of the Council, Chair N |
| Bishop Jonathan Baker, MA (Oxon), M Phil., Dip.Theol EPC |                               |
| Mrs Sally-Anne Barrett                                   | F, MAC                        |
| The Revd Canon Dr Philip Ursell, BA (Wales), MA (Oxon)   |                               |
| Mr Guy Egerton-Smith, FRIGS                              | Chair BD, F                   |
| Mr Robert Gregory, BSc (Hons)                            | N                             |
| Mrs Rosemary Martin, M.Ed, NPQH                          | Chair EPC                     |
| Mr Richard Pilkington                                    | Chair F                       |
| Hon Mrs Frances Stanley                                  | Chair MAC                     |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

| <b>Name</b>   | <b>Position</b> |
|---|-----------------|
| Mrs Sally Tulk-Hart   | MAC             |
| Mr Rob Owen OBE, FRGS (appointed 8 November 2017)           | MAC             |
| Miss Charlotte Faber, BA, PGCE (appointed 20 February 2018) | EPC             |

**Key:**

Buildings & Development Sub-committee = BD

Marketing, Admissions & Communications Sub-committee = MAC

Nominations Sub-committee = N

Education, Pastoral & Compliance Sub-committee = EPC

Finance Sub-committee = F

Ms Caroline Slettengren, BSc (Hons) was a Member of the Council during the year but resigned prior to the approval of the financial statements on 8 November 2017.

**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.

**Key management personnel remuneration**

The remuneration of key management personnel is set by the Board, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held twice a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department, Heads of House and Heads of Faculty meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

**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

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During 2017 a total of £243,636 (2016: £231,561) was awarded in bursaries.

The School continues to improve 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 who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

### **Related parties and other connected charities and organisations**

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.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Aims and Intended Impact**

Heathfield School aims to discover and develop every girl's unique talents to enable her to excel.

**Values – Heathfield aims to foster:**

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

Helping girls stand up, stand out, live life to its fullest.

These values are engendered through four central pillars:

**Community**

- A community where everyone drives and benefits from a culture of high expectations;
- A community where every girl is valued and known;
- A 'can do' community where all words and actions are kind, respectful and positive;
- A community which hires, retains and trains the best staff;
- A community which commits to physical and financial service to those less fortunate;
- Beautiful, well maintained surroundings encouraging wellbeing;
- Proactive and caring support for all;
- A close community where positive relationships with girls, The Fellowship (Old girls), parents past and present, staff, Governors and friends flourish.

**Pastoral Care and Boarding**

- Each girl benefiting from excellent pastoral care that provides individual support and care.

**Teaching**

- Teaching of the highest standard which motivates, inspires and challenges every girl;
- Every girl benefiting from career and higher education guidance enabling her to meet her ambitious personal goals.

**Co-Curricular**

- Each girl benefiting from a variety of cultural, physical, social, intellectual and creative activities and opportunities developing resilience, self-confidence and belief ensuring readiness for a place within a modern global society.

**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

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Strategies to achieve the year's objectives**

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

**Admissions**

Day girls, first admitted in 2015-16, are leading a full part in the life of the school alongside the school's boarders and have every opportunity to take part in all the activities on offer at Heathfield. They are full members of the school, other than going home to sleep.

The Headmistress continues to host prep head visits, and the school hosts 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 Learning Support 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.

**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.

**Scholarship programme**

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attracts 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,

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

ensuring it boosts the culture of learning at Heathfield.

## **STRATEGIC REPORT**

The following sections of this report constitute the Strategic Report.

## **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

### **Academic Achievements**

This year's cohort of sixth formers was the first to take the reformed, new format, linear A Levels introduced by the government in a bid to make A Levels tougher and a better preparation for university.

Over half the students gained at least one A\*-A grade in their exams (54%), with 87.5% of all the exams taken scoring an A\*-C grade. An outstanding 100% of candidates recorded all A\*-B grades in German, Latin, Government & Politics, Business, Further Mathematics and Psychology, with a further 100% gaining A\*-A grades in Chinese and Russian.

There were solid academic performances in Science, with 100% of students gaining B grades in Biology and Chemistry, 50% in Physics and 37% of students gaining A grades in Maths and 100% achieved an A\* in Further Maths.

Among some particularly impressive performances, two girls gained three A\* grades and one A grade between them. Among other highlights, Heathfield students made a particularly strong showing in the Arts, with 100% gaining A-B in Music, A\*-C in Drama and Photography, where nearly half of all students were graded A\*-A and A-C in Art Textiles.

Included in this year's results are those of a Year 12 pupil who particularly impressed with an A grade in her Music A Level which she completed in just one year, a year early.

The results see pupils confirming places at top UK universities including Edinburgh, Exeter, Kings College London, Newcastle and Warwick and at other prestigious destinations including Central St Martins and RADA. One pupil has chosen to continue her studies in America. Subjects the girls will read include Architecture, Biomedical Science, Classics, Engineering and Politics.

At GCSE 60% of pupils gained the top A\*-A and new 9-7 grades – Heathfield's best GCSE results ever and an 11 per cent improvement on last year's figures. The percentage of top grades (9s and A\*s) overall is up from 17% to an impressive 27% this year.

Following the introduction of new reformed GCSE English courses in September 2015, this year's candidates were the first to sit the more rigorous examinations in these subjects and receive the new numerical grades, 9-1 with the new grade 9 acting as an additional grade, to differentiate the most exceptional students. 24% of Heathfield's English Language students and 41% of English Literature students gained the new top grades 8 and 9.

In Maths iGCSE, 51% of students gained A\*-A and 100% A\*-C. As a further challenge, 4 students sat Additional Maths and they all achieved A\*-A grades.

Results in sciences were also exceptional with A\*-A grades achieved at 93% in Biology and 86% in Chemistry and Physics.

100% of students gained A\*-A in classical Greek, A\*-B in Latin and A\*-C in Classics. In modern languages, students achieved 100% A\*-A in Spanish and 63% A\*-A in French. 100% of Geography and Music students were awarded grades A\*-B and 100% of History students gained A\*-B, with 92% awarded A\*-A.



**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

As well as its overall success, the school notched up a number of outstanding individual performances. The 37-strong cohort gained an impressive eight grade 9s – which is higher than the old A\* grade - 14 grade 8s (A\* equivalent) 11 grade 7s, 87 A\*s and 81 A grades in total.

The incoming deputy head girl performed particularly well gaining 11 A\*s and an 8 and 9 in English Literature and English Language respectively and in Additional Maths she gained a grade above A\* - A\* with Distinction. Other stellar performances saw three students gain all A\*/A and 9/8 grades. And a year 10 student, taking her GCSEs in French and Russian a year early gained A\* in both.

### **Sport**

It has been a successful year on the sporting field for Heathfield.

**Lacrosse:** The best year to date for the Senior and U15 teams.

The 1<sup>st</sup> team competed in the South West Regional Schools' tournament. The team were 2<sup>nd</sup> in the group and made it through to the Championship play offs. The team finished 6<sup>th</sup> out of the 18 Schools competing. This is the first time Heathfield has ever achieved this. At the Heathfield Invitational Tournament the U13 team finished in 3<sup>rd</sup> place whilst the U15 team came out victorious enabling Heathfield to retain the trophy.

The Lent term was dominated by National Schools' lacrosse for the 1<sup>st</sup>, 2<sup>nd</sup> and U15 teams. The 1<sup>st</sup> team made it through to the quarter-final knock out stage.

Four girls were selected for U19 Berkshire trials with one FV pupil selected and represented the successful U19B county team.

Five FIV pupils were selected for U15 Berkshire trials; two of the girls were selected to represent the U15A team whilst two girls represented the U15B team. One of these girls was also selected for the U15 Regional National Academy.

**Netball:** The School finished 3<sup>rd</sup> out of 7 teams in the U14 SE Berks tournament. Whilst in the U14 Ascot Schools' tournament they finished 6<sup>th</sup> out of 12 teams competing. In the U15 SE Berks tournament, Heathfield finished 7<sup>th</sup> out of 21 teams taking part.

**Swimming:** A FIII pupil broke the School's Individual Medley record and as a member of the Reading Royals synchronised swimming team, won Gold at the National Synchronised Swimming competition. At the Ascot Schools' Gala the U12 & U13B teams were 4<sup>th</sup>, the U13A team were 3<sup>rd</sup>, the U14 team were 2<sup>nd</sup> and the U15 team were 1<sup>st</sup>.

**Ski Racing:** The School Ski team competed in the British School Girls' Ski Racing competition in Flaine. A FV pupil won Bronze medals in the Giant Slalom & Combined Events and an UVI pupil won a Bronze medal in the U21 slalom and Silver medals in the Combined Events.

**Athletics:** A FIV pupil represented Bracknell in a County Cross Country event and finished 45<sup>th</sup> out of 90 competitors. She also represented Bracknell in the Berkshire Schools' Cross Country Championships 45 out of 150 competitors – some of whom were 2 years older than she was.

### **Extra Curriculum Activities:**

#### **Music**

In September 2016, our GCSE and A Level musicians attended the 70<sup>th</sup> anniversary concert of the Royal Philharmonic Orchestra at the Royal Albert Hall. De Valois won the House Singing competition, and in October, two Upper VI pupils organised an exciting cabaret to fund-raise for "Youth at Risk". An Upper Sixth pupil won second place in the Windsor Festival with her AS Level composition and another pupil won runner-

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

up prize with her African inspired composition. On November 30, the choir were guest performers at the Fellowship Carol Service organised by the Heathfield Old Girls. In December, Form I sang carols at St David's Rest Home in The Priory which was warmly received by the residents.

In January 2016, the Top 12 sang at our Confirmation Service, led by The Rt. Revd, Dr. Jonathon Baker. This year, Heathfield played host to the Rotary Young Musician of the Year Competition heats. A Lower Sixth pupil was commended, another Lower Sixth pupil was runner-up and an Upper Sixth Pupil won her heat, and went on to the District round at St Joseph's in Reading

In March the Music departments joined forces with the Drama and Textiles Departments to give a spectacular circus show called, "Euphorium Emporium".

On May 19, the School Band took over "Jagz", a jazz club in Ascot for a memorable evening of music played exclusively by our own girls and raising over £400 for "The Railway Children. On June 30, we were lucky enough to host an informal concert by guest artist, Randy Mayfield and Matthew Mazzoni, as part of their European Tour. We were very excited when Randy welcomed to the stage the Heathfield Flute and String ensemble to perform an arrangement of "Beauty and the Beast".

This year saw the opening of our brand new Recording Studio, generously donated by a parent. The school made its very first CD in December and are now in the process of making its first LP.

#### **Equestrian Events at Heathfield**

The equestrian scene is still extremely active in Heathfield with several girls joining the school because of our activities, especially polo as we have the unique advantage of location in the heart of British polo.

The number of polo playing pupils remained consistent at around 24. Coaching continued 2 days a week with 5 groups from total beginners to advanced. Polo was available to all age groups.

Our summer "A" team of players (three of whom started polo at Heathfield) won the Schools and Universities Polo Associations Summer National Championships 2017, with one of our players also taking the best player award.

Heathfield teams and individuals took part in all SUPA national championships throughout the year with great success. We competed regularly against other local schools beating Harrow boys in an arena match.

Riders attending our weekly riding lessons averaged around 12 -14. We took lessons at The Berkshire Riding Centre in Winkfield, catering for beginners to advanced riders in 3 groups.

A new weekly practical activity in school is starting in 2017-18, covering horse management and knowledge, following the Pony Club syllabus.

Forms I and II attended a fascinating day at Ascot racecourse with "Racing to school" an education programme based around all aspects of the racecourse work day, showing the girls a practical, lively approach in a range of National Curriculum subjects.

New this year was the opportunity for our Equestrian Prefect to present a trophy to the winner of a class at the Windsor Horse Show.

The HAC based in Windsor Great Park is continuing to be a great success for riders of all ages and abilities.

#### **LAMDA and Dance**

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

Girls achieved a stunning 100% pass rate, with 33 Distinctions and 17 Merits in LAMDA examinations this year. 20 of these examinations were at the Higher Level - Grades 6-8 – for which the girls also receive UCAS points. Most notable were five pupils from Form V to Upper Sixth were all awarded a Distinction for Grade 8 LAMDA Musical Theatre or Acting and a pupil in Form IV gained an incredible 100% Distinction in Grade 5 Musical Theatre.

In Dance, two Lower Sixth pupils both gained Merit for RAD Grade 7 Classical Ballet examination and one of the girls was awarded a Distinction for her Grade 4 Classical Ballet examination.

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, Contemporary, 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 £15,000 for charity and the money was given to Robbie's Rally, White Helmets Syria Campaign, Crohns and Crohn's Colitis UK.

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.

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

Reunion events were held for Heathfield Old Girls and St Mary's Wantage Old Girls at Heathfield along with a Fellowship Carol Service at St Peter's, SW1.

The swimming pool is host to many local communities and organisations. Schools including Holy Trinity, Kennel Lane, Meadowbrook Montessori and Natures Nursery use the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Berkshire Triathlon Squad, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

The swimming pool is also used for training as well as tuition. NPLQ (National Pool Lifeguard Qualification) and Swimming Teacher courses are held at the pool and are open to members of the local community.

The Annual Heathfield Networking Evening was held at the Lansdowne Club in London, where Sixth Form girls networked with the Heathfield Old Girls.

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

### **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.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**FINANCIAL REVIEW AND RESULTS FOR 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 £764,653 (2016: £1,382,284) and investments of £2,254,315 (2016: £2,227,301).

At 31 August 2017 the school had net assets of £12,664,616 (2016: £13,299,955), of which freehold property accounts for £11,113,531 (2016: £11,066,150). 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 £617,631 (2016: £293,922) occurred. Cash from operating activities continues to be positive with a net inflow of £8,329 (2016: £491,193) in the year.

The accounts for the year show a deficit of income over expenditure of £635,339 (2016: surplus £258,963) in accordance with expectation and budget due to expenditure on refurbishment of boarding areas, professional fees and one-off staff settlement costs. As a registered Charity all surpluses are applied for the benefit of the school.

**Reserves Policy**

During the year £991,462 (2016: £788,219) was spent on capital improvements. The Governors' are of the opinion that the reserves, all of which are unrestricted funds, on the Income and Expenditure account of £12,664,616 (2016: £13,299,955) are sufficient to meet the school's obligations for the foreseeable future (see note 15 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.

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

**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 four 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.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

***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 charity trustees (who are also the directors of the Heathfield School Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

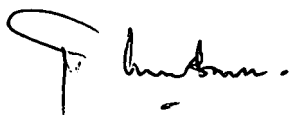
included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**BY ORDER OF THE BOARD**



Mr Tom Cross Brown – Trustee

Date 16 Apr 2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2017**

We have audited the financial statements of Heathfield School ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

### **Conclusions relating to going concern**

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 company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2017**

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 the audit:

- the information given in the trustees' annual report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report or strategic report.

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2017**

**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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Kingston Smith LLP*

Shivani Kothari (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP  
Statutory Auditors  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 26<sup>th</sup> April 2018

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

|   | Notes | 2017<br>Unrestricted<br>Funds<br>£ | 2017<br>Restricted<br>Funds<br>£ | 2017<br>Total<br>Funds<br>£ | 2016<br>Total<br>Funds<br>£ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>                               |       |                                    |                                  |                             |                             |
| <b>Charitable activities</b>                      |       |                                    |                                  |                             |                             |
| School fees                                       | 1a    | 6,850,740                          | -                                | 6,850,740                   | 7,142,662                   |
| <b>Donations and legacies</b>                     |       |                                    |                                  |                             |                             |
|   | 1b    | 27,782                             | -                                | 27,782                      | 225,862                     |
| <b>Other trading activities</b>                   |       |                                    |                                  |                             |                             |
| Rental income                                     | 1c    | 114,672                            | -                                | 114,672                     | 98,745                      |
| Other income                                      | 1c    | 29,033                             | -                                | 29,033                      | 18,585                      |
| <b>Investments</b>                                |       |                                    |                                  |                             |                             |
|   | 1d    | 16,070                             | -                                | 16,070                      | 8,677                       |
| <b>Total income</b>                               |       | <u>7,038,297</u>                   | <u>-</u>                         | <u>7,038,297</u>            | <u>7,494,531</u>            |
| <b>EXPENDITURE ON:</b>                            |       |                                    |                                  |                             |                             |
| <b>Raising funds</b>                              |       | 5,568                              | -                                | 5,568                       | 5,573                       |
| <b>Charitable activities</b>                      | 2     | 7,645,082                          | -                                | 7,645,082                   | 7,510,130                   |
| <b>Total expenditure</b>                          |       | <u>7,650,650</u>                   | <u>-</u>                         | <u>7,650,650</u>            | <u>7,515,703</u>            |
| Net (losses)/gains on investments                 |       | (22,986)                           | -                                | (22,986)                    | 280,135                     |
| <b>NET (EXPENDITURE)/INCOME</b>                   |       | <u>(635,339)</u>                   | <u>-</u>                         | <u>(635,339)</u>            | <u>258,963</u>              |
| <b>Reconciliation of funds</b>                    |       |                                    |                                  |                             |                             |
| Fund balances brought forward at 1 September      | 15    | <u>13,299,955</u>                  | <u>-</u>                         | <u>13,299,955</u>           | <u>13,040,992</u>           |
| <b>Fund balances carried forward at 31 August</b> | 15    | <u><u>12,664,616</u></u>           | <u><u>-</u></u>                  | <u><u>12,664,616</u></u>    | <u><u>13,299,955</u></u>    |

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)

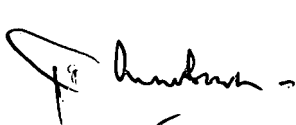
REGISTERED NUMBER: 00556463

BALANCE SHEET  
AT 31 AUGUST 2017

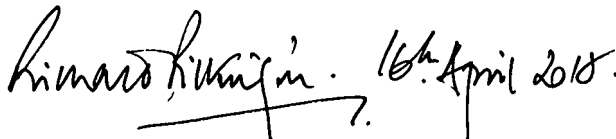
|  | Notes | 2017<br>£          | 2017<br>£                | 2016<br>£          | 2016<br>£                |
|--|-------|--------------------|--------------------------|--------------------|--------------------------|
| <b>FIXED ASSETS</b>                                    |       |                    |                          |                    |                          |
| Tangible assets  | 8     |                    | 12,033,415               |                    | 12,068,254               |
| <b>CURRENT ASSETS</b>                                  |       |                    |                          |                    |                          |
| Investments  | 9     | 2,254,315          |                          | 2,277,301          |                          |
| Stocks   | 10    | 25,756             |                          | 25,964             |                          |
| Debtors  | 11    | 1,626,558          |                          | 1,751,290          |                          |
| Cash at bank and in hand                               |       | <u>764,653</u>     |                          | <u>1,382,284</u>   |                          |
|  |       | 4,671,282          |                          | 5,436,839          |                          |
| <b>CREDITORS</b> - Amounts falling due within one year | 12    | <u>(3,047,601)</u> |                          | <u>(3,663,321)</u> |                          |
| <b>NET CURRENT ASSETS</b>                              |       |                    | 1,623,681                |                    | 1,773,518                |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |       |                    | <u>13,657,096</u>        |                    | <u>13,841,772</u>        |
| <b>Creditors</b>                                       |       |                    |                          |                    |                          |
| Amounts falling due after more than one year           | 13    |                    | (920,033)                |                    | (461,622)                |
| <b>Provisions for liabilities and charges</b>          | 14    |                    | <u>(72,447)</u>          |                    | <u>(80,195)</u>          |
| <b>Net assets</b>                                      |       |                    | <u><u>12,664,616</u></u> |                    | <u><u>13,299,955</u></u> |
| <b>FUNDS</b>   |       |                    |                          |                    |                          |
| <b>Restricted funds</b>                                | 15    |                    | -                        |                    | -                        |
| <b>Unrestricted funds</b>                              |       |                    |                          |                    |                          |
| Income and expenditure account                         |       |                    | <u>12,664,616</u>        |                    | <u>13,299,955</u>        |
| <b>School Funds</b>                                    |       |                    | <u><u>12,664,616</u></u> |                    | <u><u>13,299,955</u></u> |

Approved by the Board of Governors of Heathfield School on

and signed on its behalf by



Mr Tom Cross Brown - Trustee



Mr Richard Pilkington - Trustee

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**STATEMENT OF FINANCIAL CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

|  | 2017<br>£             | 2016<br>£               |
|--|-----------------------|-------------------------|
| <b>Cash flow/(outflow) from operating activities</b>         |                       |                         |
| Net cash provided by operating activities                    | <u>8,329</u>          | <u>491,193</u>          |
| <b>Cash flows from investing activities</b>                  |                       |                         |
| Investment income and interest received                      | 16,070                | 8,677                   |
| Interest paid  | (5,568)               | (5,573)                 |
| Proceeds from disposal of tangible fixed assets              | 355,000               | -                       |
| Payments to acquire tangible fixed assets                    | <u>(991,462)</u>      | <u>(788,219)</u>        |
| <b>Net cash outflow from investing activities</b>            | <u>(625,960)</u>      | <u>(785,115)</u>        |
| <br><b>Increase in cash and cash equivalents in the year</b> | <br>(617,631)         | <br>(293,922)           |
| <b>Cash and cash equivalents at beginning of the year</b>    | <u>1,382,284</u>      | <u>1,676,206</u>        |
| <b>Cash and cash equivalents at end of the year</b>          | <u><u>764,653</u></u> | <u><u>1,382,284</u></u> |

**Reconciliation of net (expenditure)/income to net cash flow from operating activities**

|  | 2017<br>£               | 2016<br>£                 |
|--|-------------------------|---------------------------|
| <b>Net (expenditure)/income including</b>            | (635,339)               | 258,963                   |
| <b>Adjustments for:</b>                              |                         |                           |
| Net losses/(gains) on investments                    | 22,986                  | (280,135)                 |
| Loss on disposal of tangible fixed assets            | 41,412                  | 270                       |
| Investment income                                    | (16,070)                | (8,677)                   |
| Interest paid  | 5,568                   | 5,573                     |
| Depreciation charges                                 | 629,890                 | 553,240                   |
| Decrease/(increase) in stock                         | 208                     | (13,012)                  |
| Decrease/(increase) in debtors                       | 124,732                 | (170,087)                 |
| (Decrease)/increase in creditors                     | (157,310)               | 64,863                    |
| (Decrease)/increase in provisions                    | (7,748)                 | 80,195                    |
| <br><b>Net cash provided by operating activities</b> | <br><u><u>8,329</u></u> | <br><u><u>491,193</u></u> |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**

**REGISTERED NUMBER: 00556463**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**ACCOUNTING POLICIES**

Heathfield School Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. 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 pound.

**(b) Going concern**

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

**(c) Income**

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**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 Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

**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.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**(d) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School.

All expenditure is inclusive of irrecoverable VAT.

**(e) 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.

**(f) 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 and STEM building | 2%              |
| Freehold buildings - Access road                         | 10%             |
| Freehold buildings - Other                               | Not depreciated |
| Freehold buildings - Swimming pool                       | 3½%             |
| Equipment  | 10% - 20%       |
| Motor vehicles   | 20%             |

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.

**(g) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/ (losses) on investments" in the SoFA if the shares are publicly traded.

**(h) Stock**

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

**(i) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**(j) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**(k) Creditors and provisions**

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(l) Financial Instruments**

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11, 12 and 13 for the debtor and creditor notes.

**(m) Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

**(n) Pension costs**

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. The former is a defined benefit scheme and the latter is a defined contribution scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 17 for details.

**(o) Benefits in kind and gifts**

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

**(p) Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**(q) Fund accounting**

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

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**(r) Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

**Useful Economic Lives** - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

**1 ANALYSIS OF INCOME**

|   | 2017<br>£               | 2016<br>£               |
|---|-------------------------|-------------------------|
| <b>(a) Charitable activities</b>            |                         |                         |
| Fees receivable                             | 6,035,999               | 6,310,232               |
| Less: bursaries, scholarships and discounts | <u>(388,599)</u>        | <u>(363,957)</u>        |
|   | 5,647,400               | 5,946,275               |
| <br>Summer school                           | <br>619,586             | <br>558,933             |
| Extras and disbursements                    | <u>583,754</u>          | <u>637,454</u>          |
|   | <u><u>6,850,740</u></u> | <u><u>7,142,662</u></u> |

All bursaries, scholarships and discounts were made to individuals in accordance with the School's grant-making policy.

|                                   | 2017<br>Unrestricted<br>Funds<br>£ | 2017<br>Restricted<br>Funds<br>£ | 2017<br>Total<br>Funds<br>£ | 2016<br>Total<br>Funds<br>£ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>(b) Donations and legacies</b> |                                    |                                  |                             |                             |
| Donations received                | <u>27,782</u>                      | <u>-</u>                         | <u>27,782</u>               | <u>225,862</u>              |

All donations and legacies income in 2016 related to unrestricted funds.

|                                     | 2017<br>Unrestricted<br>Funds<br>£ | 2017<br>Restricted<br>Funds<br>£ | 2017<br>Total<br>Funds<br>£ | 2016<br>Total<br>Funds<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>(c) Other trading activities</b> |                                    |                                  |                             |                             |
| Rental income                       | <u>114,672</u>                     | <u>-</u>                         | <u>114,672</u>              | <u>98,745</u>               |
| Other trading income                | 29,033                             | -                                | 29,033                      | 18,195                      |
| Non-ancillary trading income        | <u>-</u>                           | <u>-</u>                         | <u>-</u>                    | <u>390</u>                  |
|                                     | <u><u>29,033</u></u>               | <u><u>-</u></u>                  | <u><u>29,033</u></u>        | <u><u>18,585</u></u>        |

All income from other trading activities in 2016 related to unrestricted funds.

|                              | 2017<br>Unrestricted<br>Funds<br>£ | 2017<br>Restricted<br>Funds<br>£ | 2017<br>Total<br>Funds<br>£ | 2016<br>Total<br>Funds<br>£ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>(d) Investment income</b> |                                    |                                  |                             |                             |
| Interest receivable          | <u>16,070</u>                      | <u>-</u>                         | <u>16,070</u>               | <u>8,677</u>                |

All investment income in 2016 related to unrestricted funds.



**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**

**REGISTERED NUMBER: 00556463**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**2(a) Analysis of expenditure**

| <b>2017</b>                  | <b>Staff costs</b> | <b>Other</b>     | <b>Depreciation</b> | <b>Total</b>     |
|------------------------------|--------------------|------------------|---------------------|------------------|
| <b>Charitable activities</b> | <b>£</b>           | <b>£</b>         | <b>£</b>            | <b>£</b>         |
| Teaching                     | 2,714,356          | 675,527          | -                   | 3,389,883        |
| Premises                     | 909,638            | 1,214,400        | 629,890             | 2,753,928        |
| Support costs (note 2b)      | 801,195            | 700,076          | -                   | 1,501,271        |
| Finance costs (note 2c)      | -                  | 5,568            | -                   | 5,568            |
|                              | <u>4,425,189</u>   | <u>2,595,571</u> | <u>629,890</u>      | <u>7,650,650</u> |
| <b>2016</b>                  | <b>Staff costs</b> | <b>Other</b>     | <b>Depreciation</b> | <b>Total</b>     |
| <b>Charitable activities</b> | <b>£</b>           | <b>£</b>         | <b>£</b>            | <b>£</b>         |
| Teaching                     | 2,599,756          | 846,626          | -                   | 3,446,382        |
| Premises                     | 888,227            | 1,149,910        | 553,240             | 2,591,377        |
| Support costs (note 2b)      | 960,602            | 511,769          | -                   | 1,472,371        |
| Finance costs (note 2c)      | -                  | 5,573            | -                   | 5,573            |
|                              | <u>4,448,585</u>   | <u>2,513,878</u> | <u>553,240</u>      | <u>7,515,703</u> |

**2(b) Support costs**

|                                  | <b>2017</b>      | <b>2016</b>      |
|----------------------------------|------------------|------------------|
|                                  | <b>£</b>         | <b>£</b>         |
| Salaries and National Insurance  | 801,195          | 960,602          |
| Printing, postage and stationery | 34,217           | 20,018           |
| Marketing and development        | 186,252          | 168,189          |
| Computer costs                   | 122,784          | 110,584          |
| Bad debts & stock write off      | 6,112            | (6,942)          |
| Non-teachers' CPD                | 9,049            | 5,340            |
| General expenses                 | 90,453           | 156,495          |
| Governance Costs (note 3)        | 251,209          | 58,085           |
|                                  | <u>1,501,271</u> | <u>1,472,371</u> |

**2(c) Finance costs**

|                      |              |              |
|----------------------|--------------|--------------|
| Interest and charges | <u>5,568</u> | <u>5,573</u> |
|                      | <u>5,568</u> | <u>5,573</u> |

**3 Governance Costs**

|                   | <b>2017</b>    | <b>2016</b>   |
|-------------------|----------------|---------------|
|                   | <b>£</b>       | <b>£</b>      |
| Audit fees        | 16,974         | 15,000        |
| Legal fees        | 41,262         | 20,037        |
| Professional fees | 192,973        | 23,048        |
|                   | <u>251,209</u> | <u>58,085</u> |

**4 Operating Surplus**

|  | <b>Funds</b> | <b>Funds</b> |
|--|--------------|--------------|
|  | <b>2017</b>  | <b>2016</b>  |
|  | <b>£</b>     | <b>£</b>     |
| The operating surplus is stated after charging:            |              |              |
| Depreciation and other amounts written off tangible assets | 629,890      | 553,240      |
| Operating lease charges                                    | 18,358       | 14,200       |
| Auditor's remuneration - audit fee                         | 16,974       | 15,000       |
| Auditor's remuneration - other services                    | -            | 1,215        |
|  | <u>-</u>     | <u>1,215</u> |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**5 Employees**

The average monthly number of employees (including staff who are also trustees) during the year was:

|                            | <b>2017</b>       | <b>2016</b>       |
|----------------------------|-------------------|-------------------|
|                            | <b>No.</b>        | <b>No.</b>        |
| Teaching staff             | 48                | 45                |
| Administration and support | 75                | 81                |
|                            | <u><b>123</b></u> | <u><b>126</b></u> |

**Employment costs**

|                                  | <b>Total</b>            | <b>Total</b>            |
|----------------------------------|-------------------------|-------------------------|
|                                  | <b>2017</b>             | <b>2016</b>             |
|                                  | <b>£</b>                | <b>£</b>                |
| Wages and salaries               | 3,620,630               | 3,621,666               |
| Social security costs            | 349,806                 | 329,852                 |
| Employer's pension contributions | 407,294                 | 474,756                 |
| Other                            | 13,299                  | 22,581                  |
|                                  | <u><b>4,391,028</b></u> | <u><b>4,448,855</b></u> |

Included in the above are termination payments of £71,961 for four individuals (2016: £120,564).

Employees earning £60,000 per annum or more received remuneration in the following bands:

|                     | <b>2017</b> | <b>2016</b> |
|---------------------|-------------|-------------|
|                     | <b>No.</b>  | <b>No.</b>  |
| £60,000 - £69,999   | 2           | 3           |
| £100,000 - £109,999 | 1           | 1           |

**6 Key Management Personnel**

The charity considers that the key management personnel comprise of the governors and the senior leadership team- who are the Headmistress, Director of pastoral & Co-curricular Activities, Director of Boarding, Director of IT, Director of Studies, Director of Sixth Form, Bursar & Clerk to the Governors and the Director of Marketing & Admissions . The total employee benefits including pension costs of the key management personnel of the school were £496,713 (2016: £557,158).

**7 Taxation**

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

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**8 Tangible Fixed Assets**

|                         | <b>Freehold<br/>properties<br/>£</b> | <b>Equipment<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------|--------------------------------------|------------------------|--------------------|
| <b>Cost</b>             |                                      |                        |                    |
| At 1 September 2016     | 12,254,451                           | 2,420,530              | 14,674,981         |
| Additions               | 565,450                              | 426,012                | 991,462            |
| Disposals               | <u>(355,000)</u>                     | <u>(10,970)</u>        | <u>(365,970)</u>   |
| At 31 August 2017       | <u>12,464,901</u>                    | <u>2,835,572</u>       | <u>15,300,473</u>  |
| <b>Depreciation</b>     |                                      |                        |                    |
| At 1 September 2016     | 1,188,302                            | 1,418,426              | 2,606,728          |
| Charge for the year     | 163,069                              | 466,821                | 629,890            |
| Eliminated on disposals | <u>-</u>                             | <u>30,441</u>          | <u>30,441</u>      |
| At 31 August 2017       | <u>1,351,371</u>                     | <u>1,915,688</u>       | <u>3,267,059</u>   |
| <b>Net Book Value</b>   |                                      |                        |                    |
| At 31 August 2017       | <u>11,113,531</u>                    | <u>919,884</u>         | <u>12,033,415</u>  |
| At 31 August 2016       | <u>11,066,150</u>                    | <u>1,002,104</u>       | <u>12,068,253</u>  |

The insured value of the Main School, Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £33,770,820.

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 2017**

| <b>9 Investments</b> | <b>2017</b>      | <b>2016</b>      |
|----------------------|------------------|------------------|
|                      | <b>£</b>         | <b>£</b>         |
| At 1 September       | 2,277,301        | 1,997,166        |
| Net (losses)/gains   | <u>(22,986)</u>  | <u>280,135</u>   |
| At 31 August         | <u>2,254,315</u> | <u>2,277,301</u> |
| Historical cost      | <u>1,884,555</u> | <u>1,884,555</u> |

Of the investments held £1,833,924 (2016 - £1,863,364) relates to M & G Charibond, and £420,391 (2016 - £413,937) relates to Edinburgh Investment Trust Plc. All investments are listed on the London Stock Exchange.

| <b>10 Stock</b>                    | <b>2017</b>   | <b>2016</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>£</b>      | <b>£</b>      |
| Household and consumable materials | <u>25,756</u> | <u>25,964</u> |

| <b>11 Debtors</b>              | <b>2017</b>      | <b>2016</b>      |
|--------------------------------|------------------|------------------|
|                                | <b>£</b>         | <b>£</b>         |
| Tuition fees receivable        | 1,306,289        | 1,403,809        |
| Other debtors                  | 203,844          | 275,692          |
| Prepayments and accrued income | <u>116,425</u>   | <u>71,789</u>    |
|                                | <u>1,626,558</u> | <u>1,751,290</u> |

| <b>12 Creditors: Amounts falling due within one year</b> | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade creditors  | 145,279          | 255,237          |
| Tuition fees in advance (see below)                      | 2,010,583        | 2,035,019        |
| Other taxes and social security costs                    | 104,410          | 103,601          |
| Other creditors  | 256,891          | 443,043          |
| Accruals and deferred income                             | <u>530,438</u>   | <u>826,421</u>   |
|  | <u>3,047,601</u> | <u>3,663,321</u> |

|  | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Total tuition fees in advance brought forwards | 2,035,019        | 2,040,821        |
| Released in year                               | (2,035,019)      | (2,040,821)      |
| Received in year                               | <u>2,415,231</u> | <u>2,035,019</u> |
| Total tuition fees in advance carried forwards | <u>2,415,231</u> | <u>2,035,019</u> |
| Repayable in one year or less, or on demand    | 2,010,583        | 2,035,019        |
| Repayable in one year or more (see note 13)    | <u>404,648</u>   | <u>-</u>         |
|  | <u>2,415,231</u> | <u>2,035,019</u> |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

| <b>13 Creditors: Amounts falling due after more than one year</b> | <b>2017</b>    | <b>2016</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Fees paid in advance  | 404,648        | -              |
| Fee deposits  | 515,385        | 461,622        |
|   | <u>920,033</u> | <u>461,622</u> |
| <b>Fee deposits</b>   |                |                |
| Repayable in one year or less, or on demand                       | 148,752        | 182,735        |
| Repayable between one and two years                               | 241,035        | 243,187        |
| Repayable between two and five years                              | 252,350        | 154,435        |
| Repayable in five years or more                                   | 22,000         | 64,000         |
|   | <u>515,385</u> | <u>461,622</u> |
| <b>Total</b>  |                |                |
|   | <u>515,385</u> | <u>461,622</u> |
| <b>Fees paid in advance</b>                                       |                |                |
| Repayable in one year or less, or on demand                       | 2,010,583      | 2,035,019      |
| Repayable between one and two years                               | 222,746        | -              |
| Repayable between two and five years                              | 181,902        | -              |
|   | <u>404,648</u> | <u>-</u>       |
| <b>Total</b>  |                |                |
|   | <u>404,648</u> | <u>-</u>       |
| <b>14 Provision for liabilities</b>                               | <b>2017</b>    | <b>2016</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Balance at 1 September  | 80,195         | -              |
| Released in year (see note 17)                                    | (7,748)        | -              |
| Provided in year (see note 17)                                    | -              | 80,195         |
|   | <u>72,447</u>  | <u>80,195</u>  |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

| <b>15 Funds</b>           | <b>Balance at<br/>31 August<br/>2016<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Gains &amp;<br/>Transfers<br/>£</b> | <b>Balance at<br/>31 August<br/>2017<br/>£</b> |
|---------------------------|--|---------------------|--------------------------|--|--|
| <b>Unrestricted Funds</b> |  |                     |                          |  |  |
| General                   | <u>13,299,955</u>                              | <u>7,038,297</u>    | <u>(7,650,650)</u>       | <u>(22,986)</u>                        | <u>12,664,616</u>                              |

|                           | <b>Balance at<br/>31 August<br/>2015<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Gains &amp;<br/>Transfers<br/>£</b> | <b>Balance at<br/>31 August<br/>2016<br/>£</b> |
|---------------------------|--|---------------------|--------------------------|--|--|
| <b>Unrestricted Funds</b> |  |                     |                          |  |  |
| General                   | <u>13,040,992</u>                              | <u>7,494,531</u>    | <u>(7,515,703)</u>       | <u>280,135</u>                         | <u>13,299,955</u>                              |

**16 Analysis of net assets between funds**

|  | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>£</b> |
|--|-------------------------------------|-----------------------------------|------------------------------|
| Tangible fixed assets                  | 12,033,415                          | -                                 | 12,033,415                   |
| Current assets                         | 4,671,282                           | -                                 | 4,671,282                    |
| Current liabilities                    | (3,047,601)                         | -                                 | (3,047,601)                  |
| Creditors falling due after 1 year     | (920,033)                           | -                                 | (920,033)                    |
| Provisions for liabilities and charges | <u>(72,447)</u>                     | <u>-</u>                          | <u>(72,447)</u>              |
|  | <u>12,664,616</u>                   | <u>-</u>                          | <u>12,664,616</u>            |

All net assets in 2016 were represented by unrestricted funds.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**17 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 TPT Retirement Solutions 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 TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

**Teachers' Pension Scheme**

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 £171,309 (2016: £189,811) and at the year-end £26,359 (2016 - £15,535) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary's Department. The latest 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 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 outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**17 Pension obligations**

The scheme is subject to the funding legislation outlines in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £12,945,440 per annum. This is payable monthly from 1 April 2016 to 30 September 2025 and increases by 3% each on 1st April. An additional £54,560 per annum will be contributed from 1 April 2016 to 30 September 2028 on the same basis.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**Reconciliation of opening and closing provision:**

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Provision at start of period                             | 80,195        | -             |
| Recognised in year                                       | -             | 67,392        |
| Unwinding of discount factor (interest expense           | 818           | 1,422         |
| Deficit contribution paid                                | (8,213)       | (8,432)       |
| Remeasurements - impact of change in assumptions         | (353)         | 4,127         |
| Remeasurements – amendments to the contribution schedule | -             | 15,686        |
|  | <u>72,447</u> | <u>80,195</u> |

**Income and expenditure impact:**

|  |       |        |
|--|-------|--------|
| Interest expense   | 818   | 1,422  |
| Recognised in year                                       | -     | 67,392 |
| Remeasurements - impact of change in assumptions         | (353) | 4,127  |
| Remeasurements – amendments to the contribution schedule | -     | 15,686 |

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

The assumed discount rate applied is 1.20% per annum (2016 – 1.08%). This rate is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 00556463**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**18 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. £25,879 was paid for public liability insurance (2016 - £23,129). Included in this was professional indemnity insurance relating to the trustees.

**19 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.

**20 Related party transactions**

None of the trustees received any remuneration or reimbursed expenses for their role as trustee during the current or previous year.

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 £15,596 (2016 - £12,665) was donated to the School and at the year end £nil (2016 - £nil) was owed to the School.

**21 Controlling interest**

The company is controlled by its Board of Governors.

**22 Operating lease commitments**

At 31 August 2017 the school had total commitments under non-cancellable operating leases falling due as set out below:

| Due within:                | 2017<br>£            | 2016<br>£            |
|----------------------------|----------------------|----------------------|
| Less than one year         | 13,674               | 18,523               |
| Between one and five years | <u>-</u>             | <u>24,992</u>        |
|                            | <u><u>13,674</u></u> | <u><u>43,515</u></u> |

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**

**REGISTERED NUMBER: 00556463**

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

|   | 2017<br>£      | 2017<br>£               | 2016<br>£      | 2016<br>£             |
|---|----------------|-------------------------|----------------|-----------------------|
| <b>INCOME FROM:</b>   |                |                         |                |                       |
| <b>Operating activities:</b>                                |                |                         |                |                       |
| Fees  | 6,035,999      |                         | 6,310,233      |                       |
| Bursaries, scholarships and remissions                      | (388,599)      |                         | (363,957)      |                       |
| Summer school   | 619,586        |                         | 558,932        |                       |
| Extras and disbursements                                    | <u>583,754</u> |                         | <u>637,454</u> |                       |
|   |                | 6,850,740               |                | 7,142,662             |
| <b>Rent</b>   |                | 114,672                 |                | 98,745                |
| <b>Other income</b>   |                |                         |                |                       |
| Donations received  |                | 27,782                  |                | 225,862               |
| Registration and common entrance fees                       |                | 29,033                  |                | 18,195                |
| Non-ancillary trading income                                |                | -                       |                | 390                   |
| UK Investment income  |                | <u>16,070</u>           |                | <u>8,677</u>          |
|   |                | <u>7,038,297</u>        |                | <u>7,494,531</u>      |
| <b>EXPENDITURE ON:</b>                                      |                |                         |                |                       |
| <b>Cost of raising funds</b>                                |                | 2,880                   |                | 2,577                 |
| <b>Cost of activities in furtherance of charity objects</b> |                |                         |                |                       |
| Summer school   | 401,535        |                         | 378,397        |                       |
| Direct costs  | 4,836,675      |                         | 4,662,862      |                       |
| Indirect costs  | 435,443        |                         | 404,554        |                       |
| Overhead costs  | 388,198        |                         | 416,993        |                       |
| Administrative costs  | 247,031        |                         | 190,713        |                       |
| Extras and disbursements                                    | <u>403,400</u> |                         | <u>594,703</u> |                       |
|   |                | 6,712,282               |                | 6,648,222             |
| Support costs   | 684,277        |                         | 806,819        |                       |
| Governance costs  | <u>251,209</u> |                         | <u>58,085</u>  |                       |
|   |                | <u>935,486</u>          |                | <u>864,904</u>        |
|   |                | <u>7,650,648</u>        |                | <u>7,515,703</u>      |
| <b>Net expenditure</b>                                      |                | (612,352)               |                | (21,172)              |
| <b>Net (losses)/gains on investments</b>                    |                | <u>(22,986)</u>         |                | <u>280,135</u>        |
| <b>Net income after net gains on investments</b>            |                | <u><u>(635,338)</u></u> |                | <u><u>258,963</u></u> |

These notes do not form part of the statutory financial statements.

## HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)

REGISTERED NUMBER: 00556463

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

|                                 | 2017<br>£        | 2017<br>£        | 2016<br>£        | 2016<br>£        |
|---------------------------------|------------------|------------------|------------------|------------------|
| <b>A Summer school</b>          |                  |                  |                  |                  |
| Summer school receipts          | 619,586          |                  | 558,932          |                  |
| Summer school costs             | <u>(401,535)</u> |                  | <u>(378,397)</u> |                  |
| Surplus on activities           |                  | <u>218,050</u>   |                  | <u>180,535</u>   |
| <b>B Direct costs</b>           |                  |                  |                  |                  |
| Teachers' pay                   | 2,609,326        |                  | 2,576,268        |                  |
| SSP and maternity pay           | 1,060            |                  | 14,931           |                  |
| Teachers' costs                 | 193,550          |                  | 153,751          |                  |
| Redundancy payments             | 13,299           |                  | -                |                  |
| Housemistresses pay             | 433,609          |                  | 408,535          |                  |
| Housemistresses costs           | 26,975           |                  | 34,080           |                  |
| Household pay                   | 271,652          |                  | 263,237          |                  |
| Household costs                 | 58,639           |                  | 47,885           |                  |
| Catering costs                  | 501,724          |                  | 517,510          |                  |
| Stationery                      | 2,808            |                  | 10,634           |                  |
| Library                         | 2,394            |                  | 5,449            |                  |
| Subscriptions and incidentals   | 21,687           |                  | 5,317            |                  |
| Linen                           | -                |                  | 7,422            |                  |
| Outings                         | 42,298           |                  | 38,412           |                  |
| Chapel                          | 3,664            |                  | 2,853            |                  |
| School vehicles                 | 18,949           |                  | 21,605           |                  |
| Evening lectures                | -                |                  | 1,463            |                  |
| Depreciation                    | 629,890          |                  | 553,240          |                  |
| Loss on disposal of fixed asset | <u>5,152</u>     |                  | <u>270</u>       |                  |
|                                 |                  | <u>4,836,675</u> |                  | <u>4,662,862</u> |
| <b>C Indirect costs</b>         |                  |                  |                  |                  |
| Gardeners' costs                | 33,130           |                  | 40,024           |                  |
| Maintenance pay                 | 166,177          |                  | 178,172          |                  |
| Maintenance costs               | 116,700          |                  | 108,820          |                  |
| Security and compliance         | 35,756           |                  | 34,200           |                  |
| China, glass etc                | -                |                  | 569              |                  |
| Swimming pool                   | 59,236           |                  | 8,468            |                  |
| Recruitment                     | <u>24,444</u>    |                  | <u>34,301</u>    |                  |
|                                 |                  | <u>435,443</u>   |                  | <u>404,554</u>   |
| <b>D Overhead costs</b>         |                  |                  |                  |                  |
| Rates and water                 | 42,903           |                  | 59,457           |                  |
| Telephone                       | 21,758           |                  | 26,057           |                  |
| Postage                         | 11,406           |                  | 8,214            |                  |
| Insurance                       | 48,849           |                  | 37,295           |                  |
| Electricity, Gas and Oil        | 146,388          |                  | 175,386          |                  |
| Computer support costs          | <u>116,895</u>   |                  | <u>110,584</u>   |                  |
|                                 |                  | <u>388,198</u>   |                  | <u>416,993</u>   |

These notes do not form part of the statutory financial statements.

## HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)

REGISTERED NUMBER: 00556463

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

|                                   | 2017<br>£ | 2017<br>£       | 2016<br>£ | 2016<br>£      |
|-----------------------------------|-----------|-----------------|-----------|----------------|
| <b>E Administrative costs</b>     |           |                 |           |                |
| Office costs                      | 28,390    |                 | 24,736    |                |
| Advertising and marketing         | 166,398   |                 | 116,223   |                |
| Travel and entertaining           | 38,195    |                 | 46,770    |                |
| Alumni and events                 | 13,088    |                 | 9,926     |                |
| Bad debt provision                | 960       |                 | (6,942)   |                |
|                                   |           | <u>247,031</u>  |           | <u>190,713</u> |
| <b>F Extras and disbursements</b> |           | <u>403,400</u>  |           | <u>594,703</u> |
| <b>G Support costs</b>            |           |                 |           |                |
| Administration pay                | 345,628   |                 | 463,805   |                |
| Admissions pay                    | 63,639    |                 | 84,094    |                |
| Marketing pay                     | 141,233   |                 | 127,141   |                |
| IT support pay                    | 111,325   |                 | 104,045   |                |
| Commissions paid                  | 22,007    |                 | 26,224    |                |
| Admission costs                   | 447       |                 | 1,510     |                |
|                                   |           | <u>684,277</u>  |           | <u>806,819</u> |
| <b>H Governance costs</b>         |           |                 |           |                |
| Legal fees                        | 41,262    |                 | 21,255    |                |
| Audit fees                        | 16,974    |                 | 15,000    |                |
| Professional fees                 | 192,973   |                 | 21,830    |                |
|                                   |           | <u>251,209</u>  |           | <u>58,085</u>  |
| <b>I Net gains on investments</b> |           |                 |           |                |
| Net (losses)/gains on investments |           | <u>(22,986)</u> |           | <u>280,135</u> |

These notes do not form part of the statutory financial statements.