

Company Number: 01157590

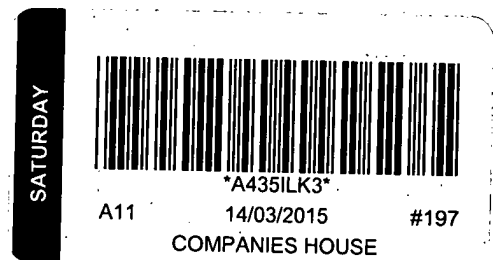
Charity Number: 532262

Highfield Priory School Limited

Directors' Report and
Financial Statements

For the Year Ended 31 August 2014

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



HIGHFIELD PRIORY SCHOOL LIMITED

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HIGHFIELD PRIORY SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

A M Goodwin	- Chairman
S J Rajiah	- Joint Vice Chairman (Resigned 27 th November 2014)
M Conlon	- Joint Vice Chairman
A Bradshaw	
W R Garment	
D Whitman	
D Preston	(Resigned 30 th January 2014)
M Forrest	
RN Wright	
EMS Ahmed	(Appointed 28 th November 2013)
JAT Nairn	(Appointed 7 th February 2014)

Company Secretary A Sanderson

Headmaster J Duke BEd Hons

Bursar A Sanderson

Company Number 1157590

Charity Number 532262

Principal and Registered Office Highfield Priory School
Fulwood Row
Fulwood
Preston PR2 5RW

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

Solicitors DLA Piper UK LLP
India Buildings
Water Street
Liverpool, L2 0NH

Bankers National Westminster Bank plc
292 Garstang Road
Fulwood
Preston PR2 9RQ

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The Board of Directors present their annual report and the audited financial statements for the year ended 31 August 2014 under the Companies Act 2006, the Charities Act 2011 and the Charities SORP 2005.

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

The Legal and Administrative information set out on page 1 forms part of this report. The financial statements comply with current Statutory requirements, the Memorandum and Articles of Association (dated 18 January 1974) and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Highfield Priory School Limited is a charitable company. The charity is governed by the company's Memorandum and Articles of Association dated 18 January 1974 and last amended on 19 June 2008.

The articles and memorandum of association have been redrafted , working closely with the charity commission to ensure they are up to date and comply with the Charity Commission guidance .We are currently awaiting approval of the proposed new articles and memorandum of association from the Charity Commission and expect this soon.

Governing body

The maximum number of governors is 10 and should consist of six elected governors who must be parents of children at the school and four co-opted governors. At each annual Governors' Election Meeting, one half of the elected governors and one half of the co-opted governors retire from office. The parents then elect or re-elect the requisite number of parents as elective governors. The co-opted governors are elected by a majority of the governors immediately following the governors' election meeting, if they have been proposed and seconded for election or re-election by any two governors.

All of the directors are governors of the school and trustees of the charity.

Governors are recruited and elected on the basis of specialist skills, personal competence, eligibility and availability to serve the school.

All trustees give up their time freely and no remuneration or expenses were paid in the year. No governor or person connected with a governor received any benefit from means tested bursaries.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

Directors

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

Name of director

A M Goodwin (FGP) Chairman
S J Rajiah (STR, H&S & FGP) Joint Vice Chair, Chair of H&S and Finance Committees
M Conlon (MKT, STR) Joint Vice Chair, Chair of Marketing Committee
A Bradshaw (IND) Chair of Independent Committee
W R Garment (FDN) Chair of Foundation Committee
D Whitman (STR) Chair of the Strategic Committee
D Preston (FGP, STR),
M Forrest (IND)
R N Wright (FGP)
E M S Ahmed (H&S)
J A T Nairn (IND)

Induction and training of trustees

Governors are inducted into the workings of the school, and also of the Company as a registered charity, including Board Policy and Procedures. They are provided with an induction pack which includes the Memorandum and Articles of Association, the last two years' final accounts, the latest management accounts, previous minutes, information on the role of a school governor and charity commission publications regarding the responsibilities of a trustee. The Chairman, Governors, Headmaster and Bursar provide ongoing support.

Organisational structure and decision making

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

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

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

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

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

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

Risk management

The governors have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The governors examine the major risks that the school faces each financial year when preparing and updating the annual budgets and strategic plan. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the school in the future.

PUBLIC BENEFIT

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

The school's bursary scheme was launched internally at our Governors Election Meeting in November 2010. A number of applications were received and September 2011 saw our first intake of a bursary assisted place which have continued to be supported.

The principal aim of the bursaries policy is to widen access to Highfield Priory, enabling those who could not otherwise afford the fees, and who demonstrate significant potential to benefit from the education provided, to do so at a fully or partly subsidised charge.

The school uses an external representative to assess each application for bursary assistance. Guidance is taken from their report, before a final decision is taken by the Head and Bursar.

The committee continues efforts to raise funds to support these places year on year.

Family discounts policy

To underline the value that we place on continuity for families, we offer discounts where parents have more than one child at the school.

OBJECTIVES AND ACTIVITIES

Objects of the charity

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

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

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

Aims and intended impact of charitable activities

The main purpose of the charity is to provide an environment in which each child can develop their talents and aspirations encouraging them to develop to their full potential. The school achieves this by providing an excellent standard of teaching, superb facilities, and a wide range of intellectual, cultural and physical opportunities. A central feature in the school's ethos is that each child when they leave school should make a positive contribution to society and consequently the school has developed strong links with the local community.

More specifically the charity aims to:

- Provide a high quality education which is tailored to individual pupils' needs.
- Develop a respect for cultural diversity and tolerance for the beliefs of others.
- Provide a wide curriculum and extra curriculum to ensure that the maximum potential of each pupil is achieved.
- Ensure a secure level of self-confidence, integrity, good moral judgment and a consideration for others.
- Create a community within the school where all members are fully involved and to develop excellent relationships between trustees, parents, pupils, staff and former pupils. Enabling our community to foster links with and make a positive contribution to the wider community, locally, nationally and internationally.
- Promote and facilitate the sharing of best practice and knowledge transfer.
- Develop leadership and teamwork skills and ensure that the children have a sense of pride in their achievements.
- Support and participate in activities within the wider community.
- Promote opportunities for continuing professional development and provide supportive performance management.
- Develop a sense of benevolence, social responsibility and community spirit which will stay with them throughout the rest of their lives.
- Promote and facilitate the sharing of facilities and resources.
- Contribute to and support the development of the local economy.
- Demonstrate commitment to the widest possible access to the school and not be selective on the basis of gender, social, geography, cultural, ethnic religious background and intellectual ability.
- Continue to improve and develop its facilities and systems thereby providing a safe and well maintained environment for the benefit of the community.
- To preserve the building and environment around the school in an appropriate and sympathetic matter.

Main objectives for the year

The main objectives for the year were:

- To continue to provide a good quality education by providing the best possible facilities and resources from which pupils could learn.
- To obtain good quality training for all staff to enable them to carry out their duties as proficiently and effectively as possible.
- To prepare pupils for each stage throughout Highfield Priory School so that they may confidently go onwards to the senior school of their choice.

HIGHFIELD PRIORY SCHOOL LIMITED
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Strategies adopted to achieve objectives

- Continuous improvement of the facilities used to teach the children.
- Provide the best possible education and practice mock examination papers for entrance exams.
- Provide a family-orientated atmosphere where children are encouraged to think for themselves, ask questions and explore their ideas within a supportive environment.

Principal activities

The company's principal activity during the year continued to be that of a registered charity (number: 532262) operating as a school. The school was founded in 1940.

ACHIEVEMENTS AND PERFORMANCE

Performance and achievement of objectives

The academic year 2013/14 was an excellent year for the school. In the NCT exams our Year 6 achieved 82% Level 5s in maths with three children achieving a Level 6. In English an average of 82% achieved Level 5 in English comprehension and 100% achieved Level 5 in Spelling, Punctuation, Grammar and Writing. All the children gained a place at their Independent School of choice and 4 children passed the examinations for their Grammar school of choice. The School was placed 27th in the country for its National Curriculum results in the Sunday Times League tables and 1st in Lancashire.

Many of the children's talents have been on display in our cross curricular drama performance this year, of 'Pandora's Box' with Years 3 and 5, and Year 4's BFG which was watched by over 300 people in Preston's Charter Theatre. This was an incredible performance with our dancers and actors coming together to produce a truly wonderful evening of entertainment. The stage presence of children as young as our Reception class was really quite staggering to see. The year culminated with a fantastic performance by Year 6 of The Pepys' Show.

The productions were an excellent example of our staff and children working together across the curriculum in Dance, Drama, English and Art. This was an invaluable experience for the children to make contributions in different subjects, using a variety of talent and skill, and witness it coming together to make a performance.

On the Sports front, the children had a very successful year in Swimming, Athletics, Football, Rugby, Cricket, Netball and Rounders. In the Preston Schools' Swimming Gala we finished 2nd and in the ISA Northern Gala, Matthew won the Under 10 boys' section single-handed! Matthew then went on to win the backstroke and the front crawl at the National Event. The boys once again had an excellent run in football, getting to the finals of the ISA Tournament and the semi-final of the Preston Cup. The boys only lost one rugby match all season and they left a very strong squad for the following year. The girls, with a pool of players of just 7, made incredible progress and beat several schools with much larger numbers. All season they demonstrated real tenacity and their 'never give-up' attitude was a real credit to them.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The talented musicians in Year 6 and throughout the school were a real testament to the popularity of Music at Highfield, led by Miss Macklam. Her Musical Assemblies never cease to delight and amaze the audience. Numbers are increasing all the time, with 56 members of the school choir and 27 practising a wide variety of musical instruments across the school with our peripatetic teachers. Miss Macklam is ably supported by Mrs Street and Mrs Hill who are now joined by Mr Murray – our new Year 2 teacher – who is a former professional musician and artistic director.

Chess continues to thrive at Highfield with over twenty members in the club. We now have 13 pupils playing for the county and our young star, Ivan, was the Under 8s County Champion as well as the National Rapidplay Champion this year. Daniel achieved a place in the Plate competition of the UK Chess Challenge after qualifying from the Gigafinal. The school also received national recognition with an award for development of chess in the North of the country.

The School has raised £1,994.32 for Derian House, Cancer Research, Children In Need and Water Aid from our collections from our Harvest Festival, Carol Service and Nativity and our Bake Off competition.

Highfield is continuing to go from strength to strength and our numbers are growing. Once again, this year, we had two classes starting in Reception in September and we are continuing to develop the school site. The school is now enjoying the new addition of the Performing Arts Studio and Highfield Haven and our Nursery has new and improved play areas. Our focus is now on an all-weather pitch for the school which will extend our sports provision and enable us to host tournaments at Highfield.

Developments

The governors' are committed to continuous investment in the school. During the year the school has seen further development the EYFS play area, by opening up the sports field to allow more grassed area for the children to play and resurfacing of the tarmaced areas giving space for the children to ride the trikes and pedal cars, the project was completed by adding secure fencing around the woodland border and key coded access for the parents.

The exterior of the facilities has been improved with either new windows or redecorated windows, the gable end of the IT suite has been replaced using durable sustainable materials offering increased insulation to the building.

Internally a new telephone system was installed and the IT suite had a new server and network upgrade. All of the classroom laptops were replaced and an upgrade of the administration systems also took place. The fire alarm system was upgraded to include the nursery bungalow and has been added to the monitored system, rather than to operate in isolation.

Planning permission has been sought for an 'all weather' pitch and this will go ahead next year.

Other factors affecting the achievement of objectives

The school continues to take strides forward; however as with all schools, we must be mindful of the current economic volatility affecting the UK economy.

HIGHFIELD PRIORY SCHOOL LIMITED
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

FINANCIAL REVIEW

Financial review of school

The results for the year are set out in the Statement of Financial Activities on page 13.

The net incoming resources for the year were £107,874 which exceeded expectations by 129%

The fees are kept to the absolute minimum to ensure that as many pupils as possible are able to access the school, whilst ensuring that the school provides all that is required to allow the pupils the best teaching resources and environment in which to learn. Plans for future development in the school are being considered and will primarily be resourced from current funds.

Once again the governors are indebted to the Parents Association for their kind gifts which further enhance the facilities of our pupils. The Association has been active organising many fund raising and social events for both parents and children during the year.

Reserves policy

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

In common with other independent schools, the governors have invested substantial sums in the School buildings and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. For the first year, as shown in note 12 to the accounts, the school has free reserves. Whilst not sizeable it illustrates the extent of the investment in our School, which is a common practice by independent schools which have to finance their own capital investment plans. The governors consider that given the strength of the charity's balance sheet, the stable cash flow from fees, the ongoing popularity of our School, and the available banking facility that can be called upon if need arises, that there is no need to build up a large free reserve. The free reserve available will be used to fund the all weather pitch in 2015.

The governors recognise that the level of reserves fluctuates during periods of investment in the School and arrangements are in place with our bank to provide an adequate 'safety net' should it be required. Plans are in place to use the current level of reserves for the new 'all weather pitch' and this will occur during the next 18 months.

Investment policy

The Board aims to maximise its income from any credit balances held by the schools' bankers. Currently there are no monetary investments placed within the financial markets, however should this occur in the future then professional advice would be sought.

PLANS FOR FUTURE PERIODS

To continue to provide a good quality education to the pupils at Highfield Priory School by investing in the facilities and resources required to do so.

HIGHFIELD PRIORY SCHOOL LIMITED

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of trustees' responsibilities.

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

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

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

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

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

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

Auditor

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

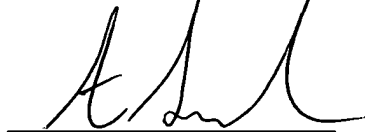
HIGHFIELD PRIORY SCHOOL LIMITED
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Small company exemptions

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with special provisions relating to small companies under Section 419 (2) of the Companies Act 2006.

This report was approved by the Board on 27 November 2014.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'A Sanderson', written over a horizontal line.

A Sanderson
Company Secretary

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

FOR THE YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Highfield Priory School Limited for the year ended 31 August 2014, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

FOR THE YEAR ENDED 31 AUGUST 2014

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report.

Montpelier Audit Limited

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

Date: *13th March 2015*

HIGHFIELD PRIORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Fund 2014 £	Restricted Fund 2014 £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES					
Incoming resources from charitable activities					
Main school and nursery fees	2	1,610,260	(2,664)	1,607,596	1,585,081
Incoming resources from generated funds					
Voluntary income:					
Covenant and gift aid		21,660	-	21,660	24,522
Parents association gift		10,199	120	10,319	6,709
Activities for generating funds:					
Fundraising for bursary scheme		-	-	-	10,981
Sale of uniform & accessories		159	-	159	221
Hire of school and hall		4,875	-	4,875	1,199
Other receipts		3,404	-	3,404	1,402
Total Incoming Resources		1,650,557	(2,544)	1,648,013	1,630,115
RESOURCES EXPENDED					
Charitable activities					
Teaching and care of children	5	1,529,534	718	1,530,252	1,541,326
Cost of generating funds					
School uniform and accessory costs	5	1,933	-	1,933	526
Governance costs	5	7,954	-	7,954	7,940
Total Resources Expended		1,539,421	718	1,540,139	1,549,792
Net Income / Expenditure	11	111,136	(3,262)	107,874	80,323
Transfers between funds		1,102	(1,102)	-	-
Total funds brought forward		1,054,515	10,071	1,064,586	984,263
Total funds carried forward		1,116,753 (note 12)	5,707 (note 13)	1,172,460	1,064,586

BALANCE SHEET

AS AT 31 AUGUST 2014

	Note	2014	2013
		£	£
Fixed assets			
Tangible assets	6	1,097,154	1,085,390
Current assets			
Stocks	7	1,469	1,955
Debtors	8	78,464	57,138
Cash at bank and in hand		155,782	61,866
		<u>235,715</u>	<u>120,959</u>
Creditors: amounts falling due within one year	9	<u>(160,399)</u>	<u>(141,753)</u>
Net Current Liabilities		<u>75,316</u>	<u>(20,794)</u>
Total assets less current liabilities	14	<u>1,172,470</u>	<u>1,064,596</u>
Capital and funds of the charity:			
Share capital	10	10	10
Unrestricted funds	12	1,166,753	1,054,515
Restricted funds	13	5,707	10,071
Total funds	11	<u>1,172,470</u>	<u>1,064,596</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board and authorised for issue on 27 November 2014 and signed on its behalf.



M Conlon – Vice Chairman

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are of a material nature in relation to the financial statements

Basis of accounting

The Financial Statements have been prepared under the historical cost convention, the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities: The Charities SORP 2005.

Fund accounting

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

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

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

Incoming resources

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

Voluntary income including, gifts and donations received for the general purposes of the charity are included in unrestricted funds when received. Where these comprise of donated fixed assets, they are included at market value.

Investment income is recognised on a receivable basis.

Resources expended

Expenditure is accounted for on an accruals basis. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, including irrecoverable VAT.

Governance costs

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Irrecoverable VAT

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

Taxation

The school is a registered charity and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies (continued)

Tangible fixed assets and depreciation

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

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

The rates generally applicable are:

Freehold land	Nil
Freehold properties	1-10% Straight line
Plant & machinery	6.67% Straight line
Motor vehicles	25% Reducing balance
Fixtures and fittings	15% Reducing balance
Computer equipment	25% Straight line

Pension scheme

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme.

The Charity also contributes to individual personal pension schemes for certain non-teaching staff at 4% of annual basic pay. Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

Operating leases

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

2	Income	2014	2013
		£	£
	Gross fees	1,610,261	1,587,691
	Less: Bursaries	(2,664)	(2,610)
		<u>1,607,597</u>	<u>1,565,081</u>
3	Net incoming resources	2014	2013
		£	£
	<i>Net income for the year is arrived at after charging:</i>		
	Loss on disposal of tangible fixed assets	5,564	-
	Depreciation of tangible fixed assets:		
	- owned assets	65,706	57,153
	Auditor's remuneration	4,245	4,165
	Governors liability insurance	<u>799</u>	<u>837</u>

HIGHFIELD PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

4	Employees	2014 £	2013 £
	Staff costs were as follows:		
	Wages and salaries	1,062,419	1,093,355
	Social security costs	62,196	78,460
	Pension contributions	81,972	88,889
		1,206,587	1,260,704
		Number	Number
	The average monthly number of employees during the year, calculated on a full time equivalent basis was:		
	Teachers and assistants	40	38
	Administration	5	5
	Domestic	11	12
		56	55

No employee received emoluments amounting to £60,000 per annum or more.

5 Analysis of total resources expended

	2014 £	2013 £
<u>Charitable activities</u>		
Restricted:		
School overheads and maintenance	718	329
Unrestricted:		
Teaching costs	1,033,497	1,062,880
Non teaching staff costs	173,090	197,824
Books & food	71,257	70,985
School overheads and maintenance	177,590	139,566
Bad debts	8,394	12,589
Depreciation	65,706	57,153
	1,529,534	1,540,997
<u>Cost of generating funds</u>		
Unrestricted:		
School uniform costs	1,933	526
<u>Governance costs</u>		
Audit services	4,245	4,165
Accountancy services	3,709	3,775
Total resources expended	1,540,139	1,549,792

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

6 Tangible fixed assets

	Freehold land and buildings £	Assets Under Construction £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2013	1,432,094	-	408,398	22,053	125,603	1,988,148
Additions	12,363	14,233	42,429	-	14,009	83,034
Disposals	-	-	(33,386)	-	-	(33,386)
At 31 August 2014	<u>1,444,457</u>	<u>14,233</u>	<u>417,441</u>	<u>22,053</u>	<u>139,612</u>	<u>2,037,796</u>
Depreciation						
At 1 September 2013	521,604	-	242,174	20,397	118,583	902,758
Charge for the year	26,282	-	31,298	414	7,712	65,706
On disposals	-	-	(27,822)	-	-	(27,822)
At 31 August 2014	<u>547,886</u>	<u>-</u>	<u>245,650</u>	<u>20,811</u>	<u>126,295</u>	<u>940,642</u>
Net Book Value At 31 August 2014	<u>896,571</u>	<u>14,233</u>	<u>171,791</u>	<u>1,242</u>	<u>13,317</u>	<u>1,097,154</u>
At 31 August 2013	<u>910,490</u>	<u>-</u>	<u>166,224</u>	<u>1,656</u>	<u>7,020</u>	<u>1,085,390</u>

The cost of land and buildings include an amount of £64,917 (2013: £64,917) relating to the cost of land which is not depreciated.

7 Stocks

	2014 £	2013 £
Stock	<u>1,469</u>	<u>1,955</u>

8 Debtors

	2014 £	2013 £
School fees	49,375	30,295
Other debtors	4,970	3,767
Prepayments	<u>24,119</u>	<u>23,076</u>
	<u>78,464</u>	<u>57,138</u>

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
9 Creditors: amounts falling due within one year		
Trade creditors	39,060	19,521
Accruals	45,786	37,935
Deferred income – school fees paid in advance	53,351	59,058
PAYE	22,202	25,239
	<u>160,399</u>	<u>141,753</u>

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

	2014 £	2013 £
10 Share capital		
Authorised		
10 Ordinary shares of £1.00 each	<u>10</u>	<u>10</u>

All the assets are held for charitable purposes and cannot be distributed to the members. Should the company be wound up or dissolved, the assets have to be transferred to another charity with similar objects and which also prohibits the distribution of any income or property to its' members.

	2014 £	2013 £
11 Reconciliation of shareholders' funds		
Net income for the financial year	107,874	80,323
Opening shareholders' funds	<u>1,064,596</u>	<u>984,273</u>
Closing shareholders' funds	<u>1,172,470</u>	<u>1,064,596</u>

	Balance at 01.09.13 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31.08.14 £
12 Unrestricted Funds					
General Fund:					
Free reserves	(30,875)	1,650,557	(1,468,151)	(81,932)	69,599
Designated Fund:					
Property Asset Fund	1,085,390	-	(71,270)	83,034	1,097,154
	<u>1,054,515</u>	<u>1,650,557</u>	<u>(1,539,421)</u>	<u>1,102</u>	<u>1,166,753</u>

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

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

HIGHFIELD PRIORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

13 Restricted funds

	Balance at 01.09.13	Incoming Resources	Resources Expended	Transfers	Balance at 31.08.14
	£	£	£	£	£
Parents Association Gift	1,700	120	(718)	(1,102)	-
Bursary Scheme	8,371	-	(2,664)	-	5,707
	<u>10,071</u>	<u>120</u>	<u>(3,382)</u>	<u>(1,102)</u>	<u>5,707</u>

The transfer to the unrestricted fund relates to the purchase of capital equipment funded by the parents association. Once purchased, the funds become unrestricted as they have been applied for the purpose for which they were given

14	Analysis of net assets between funds	General Fund	Designated Fund	Restricted Fund	Total Funds
		£	£	£	£
	Tangible fixed assets		1,097,154		1,097,154
	Current assets	230,008		5,707	235,715
	Current liabilities	(160,399)			(160,399)
	Total net assets at 31 August 2014	<u>(69,609)</u>	<u>1,097,154</u>	<u>5,707</u>	<u>1,172,470</u>

15 Pension schemes

The Charity participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Charity.

The superannuation charge for the year represents contributions payable to the Scheme of £80,464 (2013: £86,845). Employer's contributions are paid at a rate of 14.1% of pensionable pay. Employee's contributions increased are paid using to bandings between 6.4% and 10.10%. The number of staff who accrued benefits under the scheme was 23 during the year ended 31 August 2014.

The Charity also runs a scheme for certain non-teaching staff, which is a defined contributions scheme managed by Prudential. The cost for the year represents the Charity's contributions to that scheme of £2,155 (2013: £2,044).

16 Commitments under operating leases

At 31 August 2014 the company had aggregate annual commitments under a non cancellable operating lease in respect of the sports field as set out below:

	2014	2013
	£	£
Operating lease which expires: 2 – 5 years	480	480

17 Related parties

No Governors or persons connected with them received any remuneration, and were not reimbursed for any expenses in this or the previous year.

Insurance premiums of £799 (2013: £837) were paid by the school in respect of indemnity insurance for the Governors.