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- PRINT ON ONE SIDE ONLY

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	THE HEADMASTERS AND HEADMISTRESSES' CONFERENCE
Year ended:	31 MARCH 2014
List no:	4144T
Head or Main Office:	12 THE POINT ROCKINGHAM ROAD MARKET HARBOROUGH LEICESTERSHIRE LE16 7QU
Website address (if available)	www.hmc.org.uk/
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	DR WILLIAM RICHARDSON
Telephone Number:	01858 469 059
Contact name for queries regarding	DR WILLIAM RICHARDSON
Telephone Number:	01858 469 059
E-mail:	hmc@hmc.org.uk

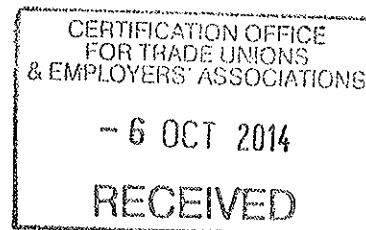
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	217	7	2	57	283
FEMALE	30	1	1	5	37
TOTAL	247	8	3	62	A 320

Number of members included in totals box 'A' above for whom no home or authorised address is held:

nil

Number of members at end of year contributing to the General Fund

320 nil

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		
Investment income (as at page 12)		
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		
Total of other income (as at page 4)		
		TOTAL INCOME
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		
		TOTAL EXPENDITURE
Surplus (deficit) for year		
Amount of general fund at beginning of year		
Amount of general fund at end of year		

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
TOTAL OTHER INCOME		
TOTAL OF ALL OTHER INCOME		

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	
		Education and Training services	
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications			
		Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward		Total (should agree with figure in General Fund)	

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	£	£	
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 3		Fund Account	
Name:	£	£	
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 5		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(See notes 24 and 25)

FUND 6		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund		
		£	£	
Income	Members contributions and levies	NIL		
	Investment income (as at page 12)	NIL		
	Other income (specify)	NIL		
		Total other income as specified		
		Total income	NIL	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)	NIL		
	Administration expenses in connection with political objects (specify)	NIL		
	Non-political expenditure	NIL	NIL	
			Total expenditure	
			Surplus (deficit) for year	
			Amount of political fund at beginning of year	
			Amount of political fund at the end of year (as Balance Sheet)	NIL
			Number of members at end of year contributing to the political fund	
			Number of members at end of the year not contributing to the political fund	
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			NIL

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union		
		£	£	
Income	Contributions and levies collected from members on behalf of central political fund	NIL		
	Funds received back from central political fund	NIL		
	Other income (specify)			
		Total other income as specified		
		Total income	NIL	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)	NIL		
	Administration expenses in connection with political objects (specify)	NIL		
	Non-political expenditure			
			Total expenditure	NIL
			Surplus (deficit) for year	NIL
			Amount held on behalf of trade union political fund at beginning of year	NIL
			Amount remitted to central political fund	NIL
			Amount held on behalf of central political fund at end of year	NIL
			Number of members at end of year contributing to the political fund	NIL
			Number of members at end of the year not contributing to the political fund	NIL
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			NIL	

ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		
Salaries and Wages included in above	£	
Auditors' fees		
Legal and Professional fees		
Occupancy costs		
Stationery, printing, postage, telephone, etc.		
Expenses of Executive Committee (Head Office)		
Expenses of conferences		
Other administrative expenses (specify)		
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
		Total
Charged to:		
	General Fund (Page 3)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
		Total

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contribution s £	Other Benefits		
				Description	Value £	
CHAIRMAN	NIL	NIL	NIL	NONE	NIL	NIL
VICE-CHAIRMAN	NIL	NIL	NIL	NONE	NIL	NIL
GENERAL SECRETARY – WILLIAM RICHARDSON	106,454	15,848	15,010	Car Allowance	1,332	138,644
MEMBERSHIP SECRETARY – IAN POWER	106,454	15,848	15,010	Car Allowance	1,332	138,644

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
		Total investment income	
Credited to:			
		General Fund (Page 3)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	

BALANCE SHEET as at

(see notes 47 to 50)

Previous Year		£	£
	Fixed Assets (at page 14)		
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Loans to other trade unions		
	Sundry debtors		
	Cash at bank and in hand		
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
	Total of other assets		
	TOTAL ASSETS		
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
	Sundry creditors		
	Accrued expenses		
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		
	TOTAL ASSETS		

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
Cost or Valuation						
At start of year						
Additions						
Disposals						
Revaluation/Transfers						
At end of year						
Accumulated Depreciation						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfers						
At end of year						
Net book value at end of year						
Net book value at end of previous year						

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
UNQUOTED Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	1,129,020	NIL	1,129,020
From Investments	101,082	NIL	101,082
Other Income (including increases by revaluation of assets)	765,754	NIL	765,754
Total Income	1,995,856	NIL	1,995,856
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	1,722,295	NIL	1,722,295
Funds at beginning of year (including reserves)	4,105,249	NIL	4,105,249
Funds at end of year (including reserves)	4,378,810	NIL	4,378,810
ASSETS			
Fixed Assets			473,235
Investment Assets			3,480,284
Other Assets			1,794,585
		Total Assets	5,748,104
LIABILITIES		Total Liabilities	(1,369,294)
NET ASSETS (Total Assets less Total Liabilities)			4,378,810

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

See attached annual accounts for the year ended 31 March 2014

ACCOUNTING POLICIES



(see notes 74 and 75)

See attached annual accounts for the year ended 31 March 2014

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>WILLIAM RICHARDS</u> Date: <u>1/10/2014</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>RICHARD HARMAN</u> Date: <u>1/10/2014</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSE D	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 83)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
(See section 36(4) of the 1992 Act set out in rule 83)

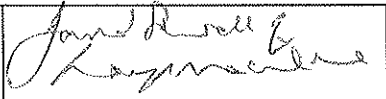
YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

AUDITOR'S REPORT (continued)

See attached annual accounts for the year ended 31 March 2014

Signature(s) of auditor or auditors:		
Name(s):	David Sewell of haysmacintyre	
Profession(s) or Calling(s):	Statutory Auditors	
Address(es):	haysmacintyre 26 Red Lion Square London WC1R 4AG	
Date:	25 June 2014	
Contact name and telephone number:	David Sewell 0207 969 5500	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

EVERY TRADE UNION IS REQUIRED BY LAW TO COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLIGENCE TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

GUIDANCE ON COMPLETION

PLEASE READ THESE NOTES CAREFULLY AS YOU COMPLETE THE FORM. IF YOU ARE UNSURE ABOUT ANY ASPECT OF THE FORM PLEASE CONTACT THE CERTIFICATION OFFICE FOR ADVICE.

GENERAL

1. Unless the union has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, **and at any event before 1 June.**
2. As long as the period is the same and there is no reduction in the amount of information supplied, a union incorporated under the Companies Act may submit with the return a copy of its accounts prepared under the Companies Act providing pages 1,2,9,11,16,17,19,20 and 21 of the return are completed. Where the Companies Act return does not provide all the information sought in this return the additional information should be provided as appropriate. A separate Auditor's Report must always nevertheless be provided and signed on pages 20 and 21 of the return. The summary sheet on page 17 must also be completed.
3. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
4. The accounts and AR21 of a trade union working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of **all the branches.**
5. Any negative values should be clearly indicated by placing the entry in brackets.
6. Where the space in any account of analysis is insufficient a separate sheet of paper should be attached to the appropriate page to provide the additional space.
7. The summary sheet on page 17 **must** be completed.
8. A copy of the rules in force at the end of the year to which this return relates must be submitted with this form even if the rules have not yet been altered since the previous rule book was submitted. This is a statutory requirement and the Certification Officer has no authority to waive this provision.
9. Please print this form single-sided only. Do not staple the pages.

GUIDANCE ON COMPLETION OF RETURN OF MEMBERS AND OFFICERS (PAGE 2)

10. The figure required is for **all members** and includes classes of members who may not pay contributions but who are members under the rules.
11. Authorised address means the members home address or any other address, which the member has requested the trade union in writing to treat as his/her postal address.
12. The Act defines officer as including any member of the governing body of the union and any trustee of any fund applicable for the purposes of the union.

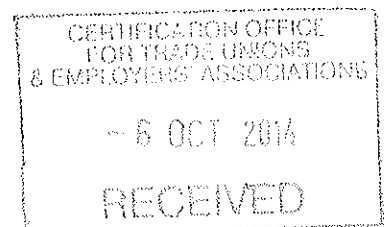
**THE HEADMASTERS' AND
HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)**

ACCOUNTS - 31 MARCH 2014

**TOGETHER WITH COMMITTEE'S
AND AUDITOR'S REPORTS**

Company No: 101760

haysmacintyre
Chartered Accountants
Registered Auditors



THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)

REPORT OF THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2014

1. COMMITTEE:

The following were members of The Committee and are the directors under Company law.

T Hands	Chairman
C Ray	Vice-Chairman (International)
K Durham	Vice-Chairman (British Isles)
R Harman	Chairman-Elect
S Holliday	Treasurer

Served until 31 August 2013:

J Clarke
M Gibbons
D Girdwood
P Green
P John
J Lancashire
S Naismith
M Reader
M Steed
S Williams

Served throughout the year:

M Buchanan
R Backhouse
S Cole
M Dickson
G Dixon
K Fear
A Fleck
P Hamilton
C Jeffery
S Kerr-Dineen
C King
T Little
C Ramsey
S Sommer
J Watson
M Windsor
G Woods

Elected 1 September 2013:

E Cairncross
A Clark
D Cook
G Everett
L Haslett
N Lashbrook
M Leppard
C Mair
G Savage
J Thould

The directors are advised, through the Treasurer, by the HMC Finance Steering Group (FSG).

2. REVIEW OF ACTIVITIES:

HMC exists to serve and support its members, to represent their views and to exemplify excellence in education. Throughout the year, the Conference has continued to act as a professional association of Headmasters and Headmistresses for the purpose of the advancement of independent education and the interest of members and their schools. As well as being a company limited by guarantee, HMC is a trade union. During the last financial year HMC held its annual conference in London, with regional meetings taking place on a termly basis in the ten 'Divisions' of the UK and Ireland.

Following consultation within the Association, members indicated that they wished to see further expansion of the services provided. The current year (2013/14) has seen further refinement of the internal communications that members receive both in content and medium of delivery (digital technologies). Being widely valued in this new form, members have indicated that they wish to see these internal communications accompanied by a greater range of communications to public audiences. The means to put this in place were discussed by directors toward the end of the year and it is expected that 2014/15 will see innovation and the appointment of new staff charged with expanding and making effective enhanced public communications.

During the current year, the Conference remained critical of examining in England and its regulation, while continuing to monitor closely patterns and practices in university admissions. In respect of members, this was another very successful year of consolidation and growth during which several heads of outstanding schools previously unconnected with the Conference were welcomed into membership. The Conference benefitted once again this year from the use of facilities at the Independent Schools Council offices in London.

Each year the directors receive either a fresh strategic plan, designed to run over five years, or an update to a plan that is in progress. The current plan runs from 2013 to 2018 and was updated this year. Directors also formally considered a risk register of all of the spheres of work in which the Conference is active.

HMC owns its office premises in Market Harborough which it purchased in November 2005.

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)

REPORT OF THE COMMITTEE (continued)

FOR THE YEAR ENDED 31 MARCH 2014

3. INVESTMENTS:

Over the last year, there was a gain on revaluation and sale of UK quoted investments of £190,859 (2013: £383,353) reflecting the upward trend of the Stock Market over the financial year.

The financial statements also now include the Conference's investment in the Independent Schools Examination Board (ISEB), the value of which was £258,959 at the year end. This has been brought in as an adjustment on brought forward reserves.

4. FINANCIAL SUMMARY:

The surplus for the year before revaluation gains amount to £82,702 (2013: £155,199). This is added to the accumulated fund brought forward from last year of £4,105,249. The accumulated fund carried forward to the next year amounts to £4,378,810.

As at 31 March 2014, the Conference's net current assets stood at £425,291 (2013: £451,584) and the portfolio of listed shares was valued at £3,221,325 (2013: £2,934,982).

During the year, The Treasurer reviewed the state of HMC's reserves. He recommended to the directors a revised policy requiring HMC to maintain liquid resources (cash or liquid assets, capable of being converted into cash at short notice) of at least £2.7m to cover four needs: winding up costs (£850,000); running costs for twelve months

(£750,000); contingencies (£500,000); and provision for a possible increase in the size of the premises (£600,000). Together these resources would ensure efficient operation of the Conference and thus compliance with the Conference's main objects. This recommendation has been accepted by the directors.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES:

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)

REPORT OF THE COMMITTEE (continued)

FOR THE YEAR ENDED 31 MARCH 2014

6. AUDITORS:

A resolution proposing the re-appointment of haysmacintyre as auditors to the company will be put to the annual general meeting in accordance with Section 485 of the Companies Act 2006.

The Report of the Council has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

25 June 2014

BY ORDER OF THE BOARD



W RICHARDSON
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE**

We have audited the financial statements of The Headmasters' and Headmistresses' Conference for the year ended 31 March 2014 which comprise the Balance Sheet, Revenue Account, Statement of Historical Cost Profit and Loss and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standards for Smaller Entities (effective April 2008).

This report is made solely to the 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors 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 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 company's affairs as at 31 March 2014 and of its result 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.

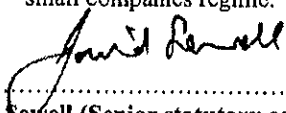
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements and the Directors' Report in accordance with the small companies regime.


.....
David Sewell (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

..... 25 June 2014

26 Red Lion Square
London
WC1R 4AG

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)


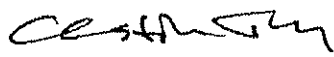
Company Number: 101760

BALANCE SHEET AT 31 MARCH 2014

	Notes	2014		As restated 2013	
		£	£	£	£
TANGIBLE FIXED ASSETS	1		473,235		481,519
INVESTMENTS	2		3,480,284		3,172,146
			<u>3,953,519</u>		<u>3,653,665</u>
CURRENT ASSETS					
Debtors and prepayments		83,539		90,498	
Cash at bank and in hand		1,710,668		1,598,864	
Corporation tax	4	378		-	
			<u>1,794,585</u>		<u>1,689,362</u>
CREDITORS - due within one year					
Subscriptions received in advance		1,207,369		1,068,340	
Creditors and accrued expenses		161,925		159,725	
Corporation tax	4	-		9,713	
			<u>1,369,294</u>		<u>1,237,778</u>
NET CURRENT ASSETS			425,291		451,584
TOTAL NET ASSETS			<u>£4,378,810</u>		<u>£4,105,249</u>
Representing:					
ACCUMULATED FUND	5		<u>£4,378,810</u>		<u>£4,105,249</u>

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

The financial statements were approved and authorised for issue by the Board on 25 June 2014 and were signed below on its behalf by:

) T Hands (Chairman)
)
) C Ray (Vice-Chairman)

The accompanying notes are an integral part of this balance sheet.

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company limited by Guarantee)
REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	As restated 2013 Actual £	Budget £	2014 Actual £
TURNOVER				
Annual conference (including fees)		398,599	380,350	443,652
Annual subscriptions		663,243	681,858	685,368
Courses (HMCPD)		349,737	464,768	473,166
Other income		5,580	5,000	4,546
Rental income		10,750	10,750	4,750
		<u>1,427,909</u>	<u>1,542,726</u>	<u>1,611,482</u>
EXPENDITURE				
Administration (including salaries)	3	392,693	412,000	416,955
Subscriptions and staff development		4,225	5,500	1,356
Annual conference (hotel and speakers)		356,801	479,000	487,236
Courses (HMCPD, including salaries)		345,954	482,300	481,570
Committee and other meetings		51,929	62,000	50,997
Membership inspection expenses		2,851	3,000	4,156
Officers' expenses		43,000	45,000	46,358
Honoraria, gifts and donations		1,113	2,000	1,100
Hospitality		396	1,500	112
Running costs - HQ		47,089	50,000	51,595
Office furniture and fittings (inc ICT)		4,157	4,500	4,258
Postage and telephone		2,129	4,000	3,220
Printing, stationery and publications		13,528	17,500	16,775
Website		36,642	18,000	14,985
International links		3,163	6,500	5,355
Page scholarship		-	2,000	-
Research and development		18,470	25,000	24,065
Contingencies		-	3,000	-
Auditor's remuneration		10,800	13,500	11,100
Professional fees and other charges		77,270	75,000	75,906
Conference and Common Room		16,200	10,500	11,700
Sundries		3,468	1,000	1,471
Depreciation and amortisation	1	10,778	10,000	12,025
		<u>1,442,656</u>	<u>1,732,800</u>	<u>1,722,295</u>
(DEFICIT) FOR YEAR BEFORE CREDITING THE FOLLOWING ITEMS				
		(14,747)	(190,074)	(110,813)
Dividends and interest receivable		97,824	50,000	101,082
Independent Schools Examination Board share of surplus		54,825	53,000	76,170
Scholarship booklet		19,914	20,000	15,885
Surplus before taxation		157,816	(67,074)	82,324
Taxation	4	(2,617)	-	378
SURPLUS FOR YEAR		155,199	(67,074)	82,702
Net gains on investments	2	383,353		190,859
SURPLUS FOR YEAR AFTER REVALUATION		538,552		273,561
Accumulated Fund brought forward (as restated)	5	3,566,697		4,105,249
Accumulated Fund carried forward	5	<u>£4,105,249</u>		<u>£4,378,810</u>

The accompanying notes are an integral part of this income and expenditure account.

All activities are continuing.

STATEMENT OF RECOGNISED GAINS AND LOSSES

There were no other recognised gains or losses for the year.

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)

STATEMENT OF HISTORICAL COST PROFIT AND LOSS
For the year ended 31 March 2014

	2014 £	As restated 2013 £
Surplus for the financial year before taxation (restated)	82,324	157,816
Realised gains on disposals of investments (difference between disposal proceeds and original cost)	109,707	191,798
Historical cost surplus before taxation	<u>£192,031</u>	<u>£349,614</u>
Historical cost surplus for the year retained after tax	<u>£192,409</u>	<u>£346,997</u>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2014

ACCOUNTING POLICIES:

- a) The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).
- b) Subscriptions shown in the income and expenditure account are the amounts received in respect of the year. The proportion of subscriptions relating to the following year is carried forward and shown in the balance sheet as subscriptions received in advance. All other income is accrued when the company becomes entitled to receive the income.
- c) Expenditure is accounted for on an accruals basis.
- d) Interest received represents amounts receivable in the year.
- e) Depreciation is provided at rates calculated to write off the cost of the assets over their estimated economic lives, as follows:
- | | |
|------------------------|--|
| Freehold building | - 2% per annum on cost |
| Furniture and fittings | - 25% per annum on cost |
| Office equipment | - 33 $\frac{1}{3}$ % per annum on cost |
- Freehold land is not depreciated.
- f) Pension costs are paid into a defined contribution scheme and charged to the accounts as they are payable.
- g) Listed investments are shown at market value and are all quoted on a recognised UK Stock Exchange. The investment in the joint venture represents the company's share of undistributed surpluses.
- h) The directors have taken advantage of the Companies Act exemption as a small company not to consolidate the joint venture.
- i) The directors have taken advantage of the provision in Financial Reporting Statement No. 1 not to prepare a cash flow statement.

NOTES TO ACCOUNTS:

Year ended 31 March 2014

1. TANGIBLE FIXED ASSETS	Freehold land and buildings £	Furniture, fittings and office equipment £	Total £
Cost			
At 1 April 2013	531,041	87,922	618,963
Additions	-	3,741	3,741
At 31 March 2014	<u>531,041</u>	<u>91,663</u>	<u>622,704</u>
Depreciation			
At 1 April 2013	54,635	82,809	137,444
Charged for the year	8,221	3,804	12,025
At 31 March 2014	<u>62,856</u>	<u>86,613</u>	<u>149,469</u>
Net Book Value			
At 31 March 2014	<u>£468,185</u>	<u>£5,050</u>	<u>£473,235</u>
At 31 March 2013	<u>£476,406</u>	<u>£5,113</u>	<u>£481,519</u>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2014

NOTES TO THE ACCOUNTS (Continued)

2. FIXED ASSET INVESTMENTS	UK quoted investments	ISEB	2014	As restated 2013
	£	£	£	£
Opening Market value	2,934,982	237,164	3,172,146	2,719,411
Disposal proceeds/distribution	(609,009)	(54,375)	(663,384)	(836,992)
Additions/share of surplus	704,493	76,170	780,663	906,374
Net gains on investments	190,859	-	190,859	383,353
	<u>£3,221,325</u>	<u>£258,959</u>	<u>£3,480,284</u>	<u>£3,172,146</u>
Closing market value	<u>£3,221,325</u>	<u>£258,959</u>	<u>£3,480,284</u>	<u>£3,172,146</u>
Cost of investments	<u>£2,615,561</u>	<u>£-</u>	<u>£2,615,561</u>	<u>£2,421,787</u>

There were no quoted investments with market value more than 5% of the investment portfolio at the year end.

3. EMPLOYEES	2014	2013
	£	£
Wages and salaries	362,585	341,519
Social security costs	43,874	40,436
Other pension costs	10,496	10,738
	<u>£416,955</u>	<u>£392,693</u>

The average number of employees during the year was 9 (2013: 8). No director received any remuneration in the year (2013 - £Nil). The General Secretary and the Membership Secretary were each paid a salary of £120,524 (2013: £114,170) and received no other benefits.

HMC has continued to operate a group pension scheme which is open to all employees through the Pensions Trust's Growth Plan, a multi-employer pension plan which is a money purchase scheme with guaranteed benefits. HMC would have a liability if it ceased to participate in the scheme, and received advice in May 2013 that on one basis it would be £25,144. As there are no plans to leave the scheme, this potential liability has not been provided for in the accounts. A triennial valuation of the plan was carried out as at September 2011 and HMC's additional contributions in respect of the shortfall in the employer sub-pool of £195 per year are payable with effect from April 2013 and will increase by 3% in April of each subsequent year.

HMC makes a significant contribution to the scheme at 14.1% of salary.

Alternatively employees may choose to have the employer's contribution paid into their own private pension scheme. During the past year HMC has taken independent advice regarding the best options for retaining or changing the current group pension scheme in the future.

4. TAXATION	2014	2013
	£	£
The taxation charge for the year represents:		
Corporation tax (recoverable)/payable at 20% (2013: 20%) on the profit assessable to taxation	(9,743)	9,713
Overprovision in previous years	-	(7,096)
Provision for tax charge from prior period adjustment	9,365	-
	<u>(378)</u>	<u>£2,617</u>
Current tax (refund)/charge for the year	<u>(378)</u>	<u>£2,617</u>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2014

NOTES TO THE ACCOUNTS (Continued)

5. ACCUMULATED FUNDS	2014	As restated
	£	2013
		£
Brought forward at 1st April 2013 as previously reported	3,868,085	3,329,983
Prior period adjustment	237,164	236,714
	<hr/>	<hr/>
As restated	4,105,249	3,566,697
Investment gains	190,859	383,353
Surplus for year	82,702	155,199
	<hr/>	<hr/>
Carried forward at 31 March 2014	<u>£4,378,810</u>	<u>£4,105,249</u>

The prior period adjustment is to include the company's share of the net assets of the Independent Schools Examination Board (ISEB), a joint venture with the Girls' Schools Association and IAPS (see note 7).

6. OPERATING LEASE COMMITMENTS

The annual lease commitments are analysed in the year in which the lease expires:

	2014	2013
	£	£
Between one to two years	767	-
Between two and five years	3,835	4,602
	<hr/>	<hr/>
	<u>£4,602</u>	<u>£4,602</u>

7. RELATED PARTY TRANSACTIONS

The Common Entrance examinations are managed through the Independent Schools Examination Board (ISEB), a joint venture with The Headmasters' and Headmistresses' Conference (HMC), The Girls' Schools Association and IAPS.

The accounts of HMC include 37.5% of the surplus of the joint venture for the year which amounted to £76,170 (2013: £54,825). This income has been included in the financial statements based on ISEB's results for the year.

8. STATUS

The company is limited by guarantee and has no share capital. The liability of members in the event of a winding up is limited to £10. The members of the company are the subscribers to the Memorandum and Articles of Association.

