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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

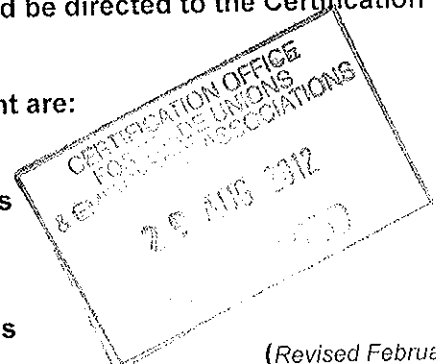
Name of Trade Union:	THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
Year ended:	31 MARCH 2012
List no:	414T
Head or Main Office:	12 THE POINT ROCKINGHAM ROAD MARKET HARBOROUGH LEICESTERSHIRE LE16 7QU
Website address (if available)	www.hmc.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	DR WILLIAM RICHARDSON
Telephone Number:	01858 469059
Contact name for queries regarding	AS ABOVE
Telephone Number:	AS ABOVE
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	219	6	3	58	286
FEMALE	20	1	-	6	27
TOTAL	239	7	3	64	A 313

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

Nil
313

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

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
CHAIRMAN	D. LEVIN	K. DURHAM	1 SEPTEMBER 2011
VICE CHAIRMAN	A. GRANT	D. LEVIN	1 SEPTEMBER 2011
SECRETARY	G. LUCAS	W. RICHARDSON	1 SEPTEMBER 2011

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 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£	£
Income	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		NIL
	Total income		NIL
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		NIL
	Surplus (deficit) for year		NIL
	Amount of political fund at beginning of year		NIL
	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		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

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		
	Funds received back from central political fund		
	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)		
	Administration expenses in connection with political objects (specify)		
	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 To 31 AUGUST 2011 – GEOFF LUCAS	25,000	3,034	30,280	NONE	NIL	58,314
GENERAL SECRETARY FROM 1 SEPTEMBER 2011 – WILLIAM RICHARDSON	64,007	8,263	NIL	NONE	NIL	72,270
MEMBERSHIP SECRETARY – IAN POWER	109,727	14,165	NIL	MEDICAL COVER	923	124,815

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/Transfer s						
At end of year						
Accumulated Depreciation						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfer s						
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 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	1,059,015	Nil	1,059,015
From Investments	78,212	Nil	78,212
Other Income (including increases by revaluation of assets)	599,675	Nil	599,675
Total Income	1,736,902	Nil	1,736,902
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	(1,392,522)	Nil	(1,392,522)
Funds at beginning of year (including reserves)	2,985,603	Nil	2,985,603
Funds at end of year (including reserves)	3,329,983	Nil	3,329,983
ASSETS			
Fixed Assets			484,626
Investment Assets			2,482,697
Other Assets			1,612,238
		Total Assets	4,579,561
LIABILITIES		Total Liabilities	(1,249,578)
NET ASSETS (Total Assets less Total Liabilities)			3,329,983

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 ANNUAL ACCOUNTS TO 31 MARCH 2012.

ACCOUNTING POLICIES

(see notes 74 and 75)

SEE ANNUAL ACCOUNTS TO 31 MARCH 2012.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>William Richards</i></u> Name: <u><i>William Richardson</i></u> Date: <u><i>7. viii . 12</i></u>	Chairman's Signature: <u><i>I J Power</i></u> MEMBERSHIP SECRETARY (or other official whose position should be stated) Name: <u><i>IAN POWER</i></u> Date: <u><i>08 08 2012</i></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)	ENCLOSED	<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/NO

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/NO

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/NO

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)

**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 2012 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 acceptor 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 2012 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.

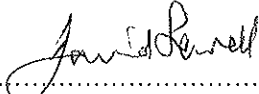
Opinion on other matter prescribed by the Companies Act 2006

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.



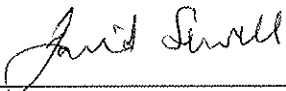
.....
David Sewell (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY



..... June 2012

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	DAVID SEWELL OF HAYSMACINTYRE	
Profession(s) or Calling(s):	STATUTORY AUDITORS	
Address(es):	FAIRFAX HOUSE 15 FULWOOD PLACE LONDON WC1 V 6 AY	
Date:	22 JUNE 2012	
Contact name and telephone number:	DAVID SEWELL 0207 969 5540	

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

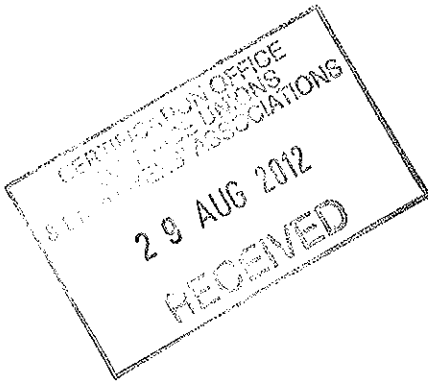
**THE HEADMASTERS' AND
HEADMISTRESSES' CONFERENCE**
(A Company limited by Guarantee)

ACCOUNTS - 31 MARCH 2012

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 2012

1. COMMITTEE:

The following were members of the Committee and constitute directors for Companies Act purposes.

K Durham	Chairman (from 1 September 2011)
D Levin	Vice-Chairman (from 1 September 2011)
C Ray	Chairman-Elect (from 1 September 2011)
B R Martin	Treasurer

Served until 31 August 2011:

D Dunn
A Fisher
J Fowler
S Freestone
A Grant
B Griffin
A Rattue
D Thomas
B Thompson
D Walker
J Williamson

Served throughout the year:

C Alcock
G Boulton
G Bowe
S Cole
G Davies
B Despontin
J Gillespie
D Gray
T Hands
M Hanley-Browne
R Karling
C King
T Little
P Smith

Elected 1 September 2011:

D Carruthers
J Clark
K Fear
M Gibbons
D Girdwood
P Green
P Hamilton
P John
J Lancashire
S Naismith
M Reader
S Sommer
M Steed

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 St Andrews, with regional meetings taking place on a termly basis in the ten 'Divisions' of the UK and Ireland. There were significant changes of employment at the Conference this year: the retiring General Secretary was replaced and a new officer post created that of Communications Manager. A complete redesign of the website of the Conference has been commissioned and political activities have centred on the efficacy of the public examinations system in England, Wales and Northern Ireland and on access to higher education. HMC's new Professional Development Service has had a successful first year and relations with a newlyconstituted Independent Schools Council have been productive and harmonious.

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

The surplus for the year before revaluation gains amount to £222,004 (2011: £107,256). This is added to the accumulated fund brought forward from last year of £2,985,603. The accumulated fund carried forward to the next year amounts to £3,329,983.

3. INVESTMENTS:

Investments are shown at market value. Over the last year there was a gain on revaluation and sale of investments of £122,376 (2011: £198,462) reflecting the upward trend of the Stock Market over the financial year. A further £300,000 was transferred into the investment portfolio during the year.

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

REPORT OF THE COMMITTEE
(Continued)

FOR THE YEAR ENDED 31 MARCH 2012

4. RESERVES:

As at 31 March 2012, the Conference's net current assets stood at £362,660 and the portfolio of listed shares was valued at £2,482,697.

The HMC reserves policy requires HMC to maintain liquid resources (cash or liquid assets, capable of being converted into cash at short notice) of at least £750,000 to be available to ensure efficient operation of the Conference and thus compliance with the Conference's main objects.

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.

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.

BY ORDER OF THE BOARD



W RICHARDSON
Secretary

20 June 2012

**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 2012 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 2012 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.

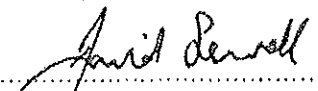
Opinion on other matter prescribed by the Companies Act 2006

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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

..... 22 June 2012

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

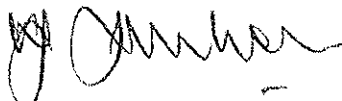
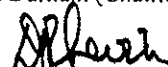
Company Number: 101760

BALANCE SHEET AT 31 MARCH 2012

	Notes	2012		2011	
		£	£	£	£
TANGIBLE FIXED ASSETS	1		484,626		494,201
INVESTMENTS					
Investments listed on UK Exchange at market value	2		2,482,697		1,945,110
			<u>2,967,323</u>		<u>2,439,311</u>
CURRENT ASSETS					
Debtors and prepayments		80,636		98,693	
Cash at bank and in hand		1,531,602		1,649,154	
		<u>1,612,238</u>		<u>1,747,847</u>	
CREDITORS - due within one year					
Subscriptions received in advance		1,113,655		1,036,334	
Creditors and accrued expenses		129,905		165,221	
Corporation tax	4	6,018		-	
		<u>1,249,578</u>		<u>1,201,555</u>	
NET CURRENT ASSETS			362,660		546,292
TOTAL NET ASSETS			<u>£3,329,983</u>		<u>£2,985,603</u>
Representing:					
ACCUMULATED FUND	5		<u>£3,329,983</u>		<u>£2,985,603</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 20 June 2012 and were signed below on its behalf by:

) K Durham (Chairman)
)
) D Levin (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 2012

		2011	2012	
	Notes	Actual £	Budget £	Actual £
TURNOVER				
Annual conference (including fees)		359,799	307,000	399,580
Annual subscriptions		645,075	663,395	659,435
Courses (HMCPD)		279,873	375,000	385,204
Other income		5,002	6,000	3,724
Rental income		10,750	10,750	10,750
		<u>1,300,499</u>	<u>1,362,145</u>	<u>1,458,693</u>
EXPENDITURE				
Administration (including salaries)	3	344,611	390,000	365,029
Annual conference (hotel and speakers)		415,093	257,000	334,891
Auditor's remuneration		10,320	9,000	10,560
Committee and other meetings		52,768	58,000	53,625
Conference and Common Room		16,200	16,200	16,200
Contingencies		5,557	10,000	-
Courses (HMCPD, including salaries)		257,741	375,000	346,689
Depreciation and amortisation		8,922	10,000	9,575
Honoraria, gifts and donations		970	3,000	500
Hospitality		682	1,500	211
International links		3,855	7,500	1,304
Membership inspection expenses		344	5,000	2,619
Officers' expenses		31,191	40,000	41,829
Office furniture and fittings (inc ICT)		5,832	10,000	4,487
Page scholarship		-	2,000	-
Postage and telephone		4,951	10,000	2,347
Printing, stationery and publications		19,238	20,000	20,832
Professional fees and other charges		84,593	75,000	65,950
Research and development		22,333	25,000	24,085
Running costs - HQ		44,683	50,000	56,185
Subscriptions and staff development		2,747	3,000	2,534
Sundries		1,325	2,000	1,904
Website		332	25,000	25,148
		<u>1,334,288</u>	<u>1,404,200</u>	<u>1,386,504</u>
(DEFICIT)/SURPLUS FOR YEAR BEFORE CREDITING THE FOLLOWING ITEMS		(33,789)	(42,055)	72,189
Dividends and interest receivable		53,592	45,000	78,212
Independent Schools Examination Board share of surplus		54,375	50,000	54,375
Scholarship booklet		22,587	15,000	23,246
Surplus before taxation		96,765	67,945	228,022
Taxation	4	10,491	-	(6,018)
SURPLUS FOR YEAR		107,256	67,945	222,004
Net gains on investments	2	198,462	-	122,376
SURPLUS FOR YEAR AFTER REVALUATION		305,718		344,380
Accumulated Fund brought forward		2,679,885		2,985,603
Accumulated Fund carried forward	5	<u>£2,985,603</u>		<u>£3,329,983</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 2012

	2012 £	2011 £
Surplus for the financial year before taxation	228,022	96,765
Realised gains on disposals of investments (difference between disposal proceeds and original cost)	28,327	93,246
Historical cost surplus before taxation	<u>£256,349</u>	<u>£190,011</u>
Historical cost surplus for the year retained after tax	<u>£250,331</u>	<u>£200,502</u>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2012

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 | - 33½% 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) Investments are shown at market value and are all quoted on a recognised UK Stock Exchange.
- 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 2012

1. TANGIBLE FIXED ASSETS	Freehold land and buildings	Furniture, fittings and office equipment	Total
	£	£	£
Cost			
At 1 April 2011	531,041	108,750	639,791
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2012	531,041	108,750	639,791
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2011	38,194	107,396	145,590
Charged for the year	8,221	1,354	9,575
	<hr/>	<hr/>	<hr/>
At 31 March 2012	46,415	108,750	155,165
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2012	£484,626	£-	£484,626
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2011	£492,847	£1,354	£494,201
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2012

NOTES TO THE ACCOUNTS (Continued)

2. FIXED ASSET INVESTMENTS	2012 £	2011 £
Opening Market value	1,945,110	1,169,486
Additions	897,535	1,083,776
Disposal proceeds	(482,324)	(506,614)
Net gains on investments	122,376	198,462
	<u>£2,482,697</u>	<u>£1,945,110</u>
Closing market value	£2,482,697	£1,945,110
	<u>£2,161,055</u>	<u>£1,726,606</u>

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

3. EMPLOYEES	2012 £	2011 £
Wages and salaries	289,824	235,186
Social security costs	34,414	26,383
Other pension costs	40,791	83,042
	<u>£365,029</u>	<u>£344,611</u>

The average number of employees during the year was 7 (2011: 6). No director received any remuneration in the year (2011 - £Nil). Following the retirement of the General Secretary in August 2011, a new General Secretary was appointed with effect from September 2011. The retired General Secretary was paid a salary of £25,000 (2010: £60,000) pension contribution of £30,280 through an HMRC-approved salary sacrifice scheme (2010: £73,320) and received no other benefits (2011: £337) until his retirement. The new General Secretary was paid a salary of £64,007 and received no other benefits. The Membership Secretary was paid a salary of £109,727 (2011: £106,399) and received benefits of £923 (2011: £886).

4. TAXATION	2012 £	2011 £
The taxation charge for the year represents:		
Corporation tax at 21% (2011: 21%) on the profits assessable to taxation	6,018	(10,491)
Overprovision in previous years	-	-
	<u>£6,018</u>	<u>£(10,491)</u>
Current tax charge/(refund) for the year	£6,018	£(10,491)

5. ACCUMULATED FUNDS	2012 £	2011 £
Brought forward at 1st April	2,985,603	2,679,885
Revaluation on investment	122,376	198,462
Surplus for year	222,004	107,256
	<u>£3,329,983</u>	<u>£2,985,603</u>
Carried forward at 31 March	£3,329,983	£2,985,603

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
Year ended 31 March 2012

6. OPERATING LEASE COMMITMENTS

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

	2012 £	2011 £
Within one year	4,502	-
Between one to two years	-	4,502
Between two and five years	767	-
	<u>£5,269</u>	<u>£4,502</u>

7. RELATED PARTY TRANSACTIONS

The Common Entrance examinations are managed through a joint venture with The Headmasters' and Headmistresses' Conference (HMC), The Girls' Schools Association and The Independent Association of Preparatory Schools. The exam papers are produced by C E Publications Limited, a company limited by guarantee. Profits of C E Publications Limited are distributed as recommended by the directors who are the appointees of HMC and the bodies stated above. On the winding up of the company the surplus assets shall be distributed to those bodies.

The accounts of HMC include 37.5% of the surplus of the joint venture for the year which amounted to £54,375 (2011: £54,375).

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.

HEADMASTERS' AND HEADMISTRESSES' CONFERENCE

STATEMENT TO MEMBERS ISSUED IN CONNECTION WITH THE UNION'S ANNUAL RETURN FOR PERIOD ENDED 31 MARCH 2012 AS REQUIRED BY SECTION 32A OF TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

Income and Expenditure

The total income of the union for the period was £1,458,693. This amount included payments of £659,435 in respect of membership of the union. The union's total expenditure for the period was £1,386,504. The union does not maintain a political fund.

Salary paid to and other benefits provided to the General Secretary, Membership Secretary and elected officers

The retired General Secretary of the union was paid £25,000, with a pension contribution of £30,280 through an HMRC-approved salary sacrifice scheme and received no other benefits until his retirement. The new General Secretary of the union was paid £64,007 in respect of salary and received no other benefits. The Membership Secretary was paid £109,727 in respect of salary and received £923 in respect of benefits.

Irregularity statement

A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

Auditor's report

The audit report, to which this statement is appended, was prepared by haysmacintyre, Fairfax House, 15 Fulwood Place, London WC1V 6AY.

