

- DO NOT STAPLE
- PRINT ON ONE SIDE ONLY

FORM AR21

To be used for reporting years starting on or after 6 April 2015

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 2016

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

No

(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

CERTIFICATION OFFICE
FOR TRADE UNIONS
& EMPLOYERS' ASSOCIATIONS

04 OCT 2016

RECEIVED

(Revised June 2016)

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	50	278
FEMALE	47	2	0	7	56
TOTAL	266	8	3	57	334

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

334

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		

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	1,673,726	NIL	1,673,726
From Investments	116,716	NIL	116,716
Other Income (including increases by revaluation of assets)	640,026	NIL	640,026
Total Income	2,430,468	NIL	2,430,468
EXPENDITURE (including decreases by revaluation of Total Expenditure			
	2,600,259	NIL	2,600,259
Funds at beginning of year (including reserves)	4,622,628	NIL	4,622,628
Funds at end of year (including reserves)	4,452,837	NIL	4,452,837
ASSETS			
	Fixed Assets		472,280
	Investment Assets		3,571,585
	Other Assets		1,206,922
	Total Assets		5,250,787
LIABILITIES		Total Liabilities	797,950
NET ASSETS (Total Assets less Total Liabilities)			4,452,837

NOTES TO THE ACCOUNTS

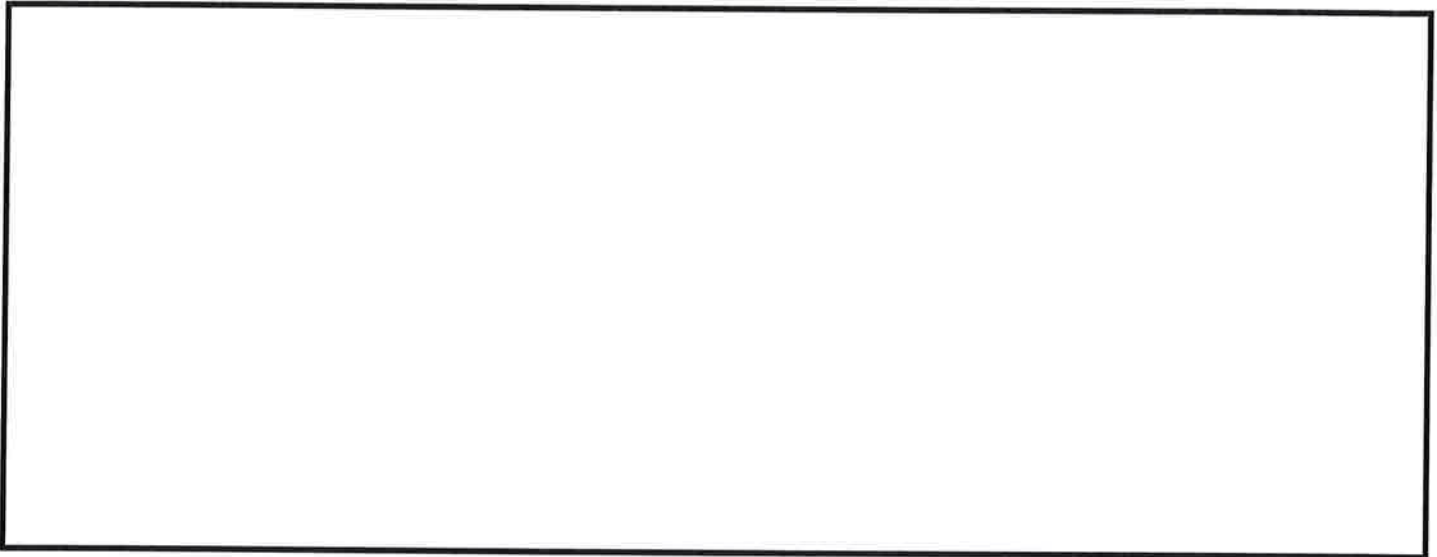
(see notes 72 and 73)

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

See the attached annual accounts for the year end 31 March 2016

ACCOUNTING POLICIES



(see notes 74 and 75)



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 RINAROSSEN</u> Date: <u>29.09.16</u>	Chairman's Signature: <u></u> <i>Membership Secretary</i> (or other official whose position should be stated) Name: <u>IAN POWER</u> Date: <u>29.09.2016</u>
--	---

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"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	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)

See attached annual accounts for 31 March 2016

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):	haysmacintyre 26 Red Lion Square London WC1R 4AG	
Date:	7 September 2016	
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.

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

NO

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

5. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/NO

6. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/NO

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	
Address	
Date	
Contact name and telephone number	

MEMBERSHIP AUDIT CERTIFICATE

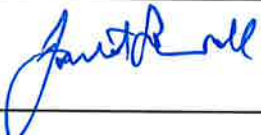
SECTION TWO

For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES

If "NO" Please explain below:

Signature	
Name	David Sewell
Office held	Statutory Auditor
Date	18 August 2016

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

ACCOUNTS 31 MARCH 2016

**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 2016

1. COMMITTEE:

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

C King	Chairman
R Harman	Vice-Chairman
M Buchanan	Chairman-Elect
S Holliday	Treasurer

Served until 31st August 2015

T Hands
T Little
A Clark
E Cairncross
A J Thould
C Mair
A Fleck
G Savage
N Lashbrook

Served throughout the year

J Hind
S Fenton
M Punt
A Chicken
M Breen
G Lloyd
K Greig
F Boulton
M Moore
A Pettitt
C Ramsey
J Lancashire
S Woodroffe
J Watson
K Fear

Elected 1st September 2015

N Weaver
D Burnett
I Davies
D Elstone
P Britton
P Brodie
J Cox
R Maloney
K Crewe-Reed
P Armstrong

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 period, 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 trades union. During the last financial period 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.

Following the expansion of services provided over previous years, Members indicated during 2015/16 that they wished to see consolidation, including in the recently expanded area of external relations. The work of previous years in monitoring examining in England and its regulation continued as did that of reviewing patterns of supply and demand in university admissions. In addition, the Conference established a working group during the year to investigate staff and pupil well-being and to report findings. A second working group, convened by the Vice-chairman, reviewed aspects of the HMC 'constitution' with a view to making recommendations to the 2016 annual general meeting.

2015/16 continued the growth trend of recent years as more heads of outstanding schools previously unconnected with the Conference were welcomed into membership. The Conference benefitted once again this year from an active and successful programme of Professional Development as well as from the use of facilities at the Independent Schools Council offices in London. During the year the HMCTT teacher recruitment programme was launched and this assisted a wide range of members in securing talented entrants to the teaching profession.

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 2017 and was updated again 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 2016

3. INVESTMENTS:

Over the last year, there was a loss on revaluation and sale of UK quoted investments of £131,389 (31 March 2015: gain of £202,672) reflecting the downward trend of the Stock Market over the financial year.

4. FINANCIAL SUMMARY:

The deficit for the year before revaluation losses amounted to £38,402 (31 March 2015: deficit of £96,645). This is added to the accumulated fund brought forward from last year of £4,622,628. The accumulated fund carried forward to the next year amounts to £4,452,837.

At 31 March 2016, HMC's net current assets stood at £408,972 (31 March 2015: £546,780) and the portfolio of listed shares was valued at £3,571,581 (31 March 2015: £3,591,172).

The director's policy for reserves requires 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.

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 year. 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:

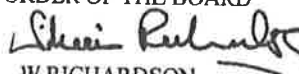
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

**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 2016 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 Auditors' 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

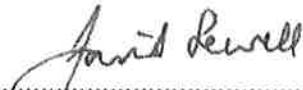
Opinion on other matter prescribed by the Companies Act 2006

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 or take advantage of the small companies exemption in preparing the Strategic Report.


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

**26 Red Lion Square
London
WC1R 4AG**

20 June
..... 2016

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

Item No 5b)

Company Number: 101760

BALANCE SHEET AT 31 MARCH 2016

	Notes	31 March 2016		31 March 2015	
		£	£	£	£
TANGIBLE FIXED ASSETS	1		472,280		484,672
INVESTMENTS	2		3,571,585		3,591,176
			<u>4,043,865</u>		<u>4,075,848</u>
CURRENT ASSETS					
Debtors and prepayments	3	251,270		257,024	
Cash at bank and in hand		932,525		1,232,527	
Corporation tax		23,127		-	
			<u>1,206,922</u>	<u>1,489,551</u>	
CREDITORS - due within one year					
Subscriptions received in advance		648,545		688,495	
Creditors and accrued expenses		149,405		241,632	
Corporation tax				12,644	
			<u>797,950</u>	<u>942,771</u>	
NET CURRENT ASSETS			408,972		546,780
TOTAL NET ASSETS			<u>£4,452,837</u>		<u>£4,622,628</u>
Representing:					
ACCUMULATED FUND	6		<u>£4,452,837</u>		<u>£4,622,628</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 15 June 2016 and were signed below on its behalf by:



) C King (Chairman)

)



) R Harman (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 2016

		31 March 2016		31 March 2015
	Notes	Actual £	Budget £	Restated Actual £
TURNOVER				
Annual subscriptions		761,851	758,293	711,825
- Independent School Council subscriptions		421,676	-	431,451
Courses (HMCPD) and Teacher Training (HMCTT)		588,661	614,300	509,247
Annual conference (including fees)		490,199	446,000	493,243
Other income		2,710	5,000	7,937
Rental income		6,496	11,000	4,750
		<u>2,271,593</u>	<u>1,843,593</u>	<u>2,158,453</u>
EXPENDITURE				
Administration (including salaries)		559,397	552,800	463,960
Independent Schools Council subscription		421,676	-	431,451
Subscriptions and staff development		5,352	8,500	2,957
Annual conference (hotel and speakers)		417,143	403,300	448,020
Courses (HMCPD) and Teacher training (HMCTT), including salaries		666,126	698,300	604,508
Committee and other meetings		55,843	65,000	73,220
Membership inspection expenses		17,689	20,000	7,981
Officers' expenses		54,182	48,000	52,881
Honoraria, gifts and donations		266	1,500	1,147
Hospitality		233	1,500	-
Running costs - HQ		48,563	54,500	47,089
Office furniture and fittings (inc. ICT)		-	3,500	2,967
Postage and telephone		8,682	4,500	7,690
Printing, stationery and publications		12,475	10,000	11,130
Website		30,290	27,000	8,411
International links		-	3,000	2,611
Page scholarship		-	2,000	-
Research and development		11,818	25,000	6,513
Contingencies		-	1,500	-
Auditor's remuneration		11,700	15,000	11,400
Professional fees and other charges		90,332	85,000	134,163
Insight magazine		35,198	32,000	30,191
Sundries		5,142	1,500	-
		<u>2,452,107</u>	<u>2,063,400</u>	<u>2,348,290</u>
(DEFICIT) before crediting/(debiting) the following items		<u>(180,514)</u>	<u>(219,807)</u>	<u>(189,837)</u>
Dividends and interest receivable		116,716	80,000	107,964
Scholarship booklet		19,663	15,000	21,453
Depreciation and amortisation	1	(16,763)	(16,000)	(13,729)
(Deficit)/Surplus before taxation		<u>(60,898)</u>	<u>(140,807)</u>	<u>(74,149)</u>
Taxation	5	22,496	-	(22,496)
SURPLUS/(DEFICIT) before revaluations		<u>(38,402)</u>	<u>(149,807)</u>	<u>(96,645)</u>
Independent Schools Examination Board share of surplus		-	106,200	137,791
SURPLUS before gains/(losses) on investments		<u>(38,402)</u>	<u>£(43,607)</u>	<u>41,146</u>
Net gains/(losses) on investments	2	(131,389)		202,672
SURPLUS FOR YEAR AFTER GAINS AND LOSSES		<u>(169,791)</u>		<u>243,818</u>
Accumulated Fund brought forward	6	4,622,628		4,378,810
Accumulated Fund carried forward	6	<u>£4,452,837</u>		<u>£4,622,628</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 2016

	31 March 2016 £	31 March 2015 £
Surplus/(deficit) for the financial year before taxation	(60,898)	63,642
Realised gains/(losses) on disposals of investments (difference between disposal proceeds and original cost)	(27,287)	85,861
Historical cost surplus/(deficit) before taxation	<u>(88,185)</u>	<u>£149,503</u>
Historical cost surplus/(deficit) for the year retained after tax	<u>£(65,689)</u>	<u>£127,007</u>

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
FOR THE YEAR ENDED 31 MARCH 2016

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 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. Investments in associates are accounted for in accordance with the cost model.
- h) 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 2016

1. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Furniture, fittings and office equipment £	Total £
Cost			
At 1 April 2015	531,041	116,829	647,870
Additions	-	4,371	4,371
	531,041	121,200	652,241
Depreciation			
At 1 April 2015	71,077	92,121	163,198
Charged for the year	8,221	8,542	16,763
	79,298	100,663	179,961
Net Book Value			
At 31 March 2016	£451,743	£20,537	£472,280
At 31 March 2015	£459,964	£24,708	£484,672

THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A Company Limited by Guarantee)
FOR THE YEAR ENDED 31 March 2016

NOTES TO THE ACCOUNTS (Continued)

2. FIXED ASSET INVESTMENTS	UK quoted investments £	ISEB Ltd £	31 March 2016 £	31 March 2015 £
Opening Market value	3,591,172	4	3,591,176	3,480,284
Disposal proceeds/distribution	(860,782)	-	(860,782)	(951,145)
Additions	972,580	-	972,580	721,574
Net gains/(losses) on investments	(131,389)	-	(131,389)	340,463
Closing market value	<u>£3,571,581</u>	<u>£4</u>	<u>£3,571,585</u>	<u>£3,591,176</u>
Cost of investments	<u>£2,937,137</u>	<u>£4</u>	<u>£2,937,141</u>	<u>£2,847,949</u>

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

3. DEBTORS	31 March 2016 £	31 March 2015 £
Due from ISEB Ltd (see note 8)	166,129	222,375
Prepayments and other debtors	85,141	34,649
	<u>£251,270</u>	<u>£257,024</u>

4. EMPLOYEES	31 March 2016 £	31 March 2015 £
Wages and salaries	596,398	491,285
Social security costs	66,250	57,032
Other pension costs	39,681	27,334
	<u>£702,329</u>	<u>£575,651</u>

The average number of employees during the year was 13 (31 March 2015: 10). No director received any remuneration in the year (31 March 2015 - £Nil). The General Secretary and the Membership Secretary were paid a salary (including car allowance), respectively totalling £127,034 and £129,349 (31 March 2015 both: £125,382) 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 September 2014 that on one basis it would be £26,685. 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 2014 and will increase by 3% in April of each subsequent year. HMC makes a significant contribution to the scheme at 14.1% of salary.

During the financial year HMC took independent advice regarding its obligations for auto-enrolment for all employees. Following a detailed review of available providers it was recommended that HMC commit to the Pensions Trust scheme and from January 2016 all employees have been registered for auto-enrolment. This is a money purchase scheme with a low-risk default fund and competitive annual charges. There are no guaranteed benefits.

HMC continues to make a significant contribution to this scheme with at least 6% of the employer contribution being paid to the Pensions Trust. Employees can choose whether to pay the remainder of the employer contribution, and any further personal contributions, into the Scheme, or to take this as additional salary.

HMC has formerly undertaken to review the performance of the Pensions Trust scheme quarterly and to commit to an annual review by the Finance Steering Group and the HMC officers.

5. RESTATEMENT OF COMPARATIVES

The ISC Subscriptions have historically been treated as an agency arrangement in the HMC accounts, with the company recognising only the amount of subscriptions received in respect of the ISC element but not paid over to the ISC at the year end as a creditor in the accounts. Whilst the level of the ISC subscription is based on the HMC's own membership, it is HMC's cost as it is the member of ISC. The income received from members towards the ISC subscription and subsequent payment to the ISC should therefore be recognised 'gross' in the accounts rather than 'net'. 2015 comparatives have been restated to gross up 2015 income and expenditure by £431,451.

**THE HEADMASTERS' AND HEADMISTRESSES' CONFERENCE
(A COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 MARCH 2016**

NOTES TO THE ACCOUNTS (Continued)

5. TAXATION	31 March 2016 £	31 March 2015 £
The taxation charge for the year represents:		
Corporation tax (recoverable)/payable at 20% (31 March 2015: 20%) on the profit assessable to taxation	-	22,387
Overprovision in prior year	(22,496)	109
Current tax charge/(refund) for the year	<u>£(22,496)</u>	<u>£22,496</u>
6. ACCUMULATED FUNDS	31 March 2016 £	31 March 2015 £
Brought forward at 1st April 2015	4,622,628	4,378,810
Investment gains/(losses)	(131,389)	202,672
ISEB share of surplus	-	137,791
(Deficit)/surplus for year	<u>(38,402)</u>	<u>(96,645)</u>
Carried forward at 31 March 2016	<u>£4,452,837</u>	<u>£4,622,628</u>
7. OPERATING LEASE COMMITMENTS		
The annual lease commitments are analysed in the year in which the lease expires:		
	31 March 2016 £	31 March 2015 £
Between one to two years	-	767
Between two and five years	4,744	3,835
	<u>£4,744</u>	<u>£4,602</u>

8. RELATED PARTY TRANSACTIONS

The Common Entrance examinations are managed through the Independent Schools Examination Board (ISEB), which until 31 August 2014 was a joint venture with The Headmasters' and Headmistresses' Conference (HMC), The Girls' Schools Association and IAPS.

The 2015 accounts of HMC include 37.5% of the surplus of the joint venture for the five month year to 31 August 2014. On 1 September 2014 the trade and assets of ISEB were hived up into ISEB Ltd, an incorporated company limited by shares. HMC is a shareholder owning 375 shares at a nominal value of £0.01 of the total issued share capital of £10. The undistributed reserves of ISEB are now held by ISEB Ltd and HMC's 37.5% share of these (£222,375) were included as a debtor in HMC's accounts in 2015. At the 2016 year end the balance of this debtor was £166,129.

9. 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.