

Abbreviated Accounts  
for the Year Ended 31 August 2006  
for  
Highfield School (Liphook) Ltd

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**Highfield School (Liphook) Ltd**

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**for the Year Ended 31 August 2006**

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**Highfield School (Liphook) Ltd**

**Company Information**  
**for the Year Ended 31 August 2006**

**DIRECTORS:**

P G S Evitt  
D E Gardiner  
J A Herring  
J Leigh  
W S Mills  
J W Wardrobe

**SECRETARY:**

C Holmes

**REGISTERED OFFICE:**

Highfield School  
Liphook  
Hampshire  
GU30 7LQ

**REGISTERED NUMBER:**

1220993

**AUDITORS:**

PKF (UK) LLP  
Pannell House  
Park Street  
Guildford  
Surrey  
GU1 4HN

**Highfield School (Liphook) Ltd**

**Report of the Directors**  
**for the Year Ended 31 August 2006**

The directors present their report with the accounts of the company for the year ended 31 August 2006

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a preparatory school for boys and girls

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts

**Performance**

The total turnover for the year decreased by 3.74%, although swimming pool fees increased by approximately £30,000. This was largely due to the closure of year 3 at Highfield School, which was moved to Brookham School.

Despite the lower number of pupils there was no reduction in staffing at Highfield School during the year. Repairs and maintenance costs increased by 8.76% on the previous year to improve the school.

**Financial Risk Management, Objectives and Policies**

The company's financial instruments comprise cash and liquid resources and various items such as Trade Debtors, Accrued Income, Trade Creditors and Deferred Income that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The board manages the financial risks of ensuring that there are sufficient funds to meet large payments by detailed monthly management accounts and monthly reviews of receipts and payments from bank accounts.

**Key Performance Indicators**

The Key performance indicators (KPIs) used to determine the progress and performance of the company over time are those relating to profitability ratios.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 August 2006.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2005 to the date of this report.

P G S Evitt  
D E Gardiner  
J A Herring  
J Leigh  
W S Mills  
J W Wardrobe

Other changes in directors holding office are as follows:

C J C Martin resigned on 3 March 2006.

**APPOINTMENT OF AUDITORS**

On 1 January 2007, Pridie Brewster transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.

**Highfield School (Liphook) Ltd**

**Report of the Directors**  
**for the Year Ended 31 August 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- 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 proper accounting records which 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 1985. 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD**



W S Mills - Director

Date 25 / 5 / 07

**Report of the Independent Auditors to**  
**Highfield School (Liphook) Ltd**  
**Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts which comprise the abbreviated profit and loss account, the balance sheet, the cashflow statement and the related notes, together with the financial statements of Highfield School (Liphook) Ltd for the year ended 31 August 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

PKF(UK)LLP

Guildford, UK

PKF (UK) LLP  
Registered Auditors

25/5/

2007

**Highfield School (Liphook) Ltd**

**Abbreviated Profit and Loss Account**  
**for the Year Ended 31 August 2006**

	Notes	31 8 06 £	31 8 05 £
<b>GROSS PROFIT</b>		2,840,350	2,965,846
Administrative expenses		<u>2,799,399</u>	<u>2,691,513</u>
<b>OPERATING PROFIT</b>	3	40,951	274,333
Interest receivable and similar income		<u>-</u>	<u>422</u>
		40,951	274,755
Interest payable and similar charges	4	<u>34,522</u>	<u>47,543</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,429	227,212
Tax on profit on ordinary activities	5	<u>473</u>	<u>42,041</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>	17	<u>5,956</u>	<u>185,171</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

**Highfield School (Liphook) Ltd**

**Abbreviated Balance Sheet**

**31 August 2006**

	Notes	31 8 06 £	£	31 8 05 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		3,976,378		2,770,296
Investments	7		<u>1,500</u>		<u>-</u>
			3,977,878		2,770,296
<b>CURRENT ASSETS</b>					
Stocks	8	45,651		41,099	
Debtors	9	124,390		89,189	
Cash at bank and in hand		<u>11,660</u>		<u>447</u>	
		181,701		130,735	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>2,319,824</u>		<u>1,220,242</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,138,123)</u>		<u>(1,089,507)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,839,755		1,680,789
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(698,338)		(546,000)
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>(55,633)</u>		<u>(56,461)</u>
<b>NET ASSETS</b>			<u>1,085,784</u>		<u>1,078,328</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		6,500		5,000
Profit and loss account	17		<u>1,079,284</u>		<u>1,073,328</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>1,085,784</u>		<u>1,078,328</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved and authorised for issue by the Board of Directors on 25 / 5 / 07 and were signed on its behalf by



W S Mills - Director

The notes form part of these abbreviated accounts



**Highfield School (Liphook) Ltd**

**Cash Flow Statement**  
**for the Year Ended 31 August 2006**

	Notes	31 8 06 £	£	31 8 05 £	£
Net cash inflow from operating activities	1		1,170,216		253,150
Returns on investments and servicing of finance	2		(34,522)		(47,121)
Taxation	2		(3,828)		(55,559)
Capital expenditure and financial investment	2		<u>(1,337,555)</u>		<u>(638,939)</u>
			(205,689)		(488,469)
Financing	2		<u>(118,500)</u>		<u>20,000</u>
Decrease in cash in the period			<u>(324,189)</u>		<u>(468,469)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period			(324,189)		(468,469)
Cash outflow/(inflow) from decrease/(increase) in debt			<u>120,000</u>		<u>(20,000)</u>
Change in net debt resulting from cash flows			<u>(204,189)</u>		<u>(488,469)</u>
Movement in net debt in the period			(204,189)		(488,469)
Net debt at 1 September			<u>(978,270)</u>		<u>(489,801)</u>
Net debt at 31 August			<u>(1,182,459)</u>		<u>(978,270)</u>

The notes form part of these abbreviated accounts

**Highfield School (Liphook) Ltd**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 August 2006**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 8 06	31 8 05
	£	£
Operating profit	40,951	274,333
Depreciation charges	130,605	107,945
(Profit)/Loss on disposal of fixed assets	(631)	2,364
(Increase)/Decrease in stocks	(4,552)	9,635
Increase in debtors	(35,200)	(19,526)
Increase/(Decrease) in creditors	<u>1,039,043</u>	<u>(121,601)</u>
<b>Net cash inflow from operating activities</b>	<b><u>1,170,216</u></b>	<b><u>253,150</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 8 06	31 8 05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	-	422
Interest paid	<u>(34,522)</u>	<u>(47,543)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(34,522)</u></b>	<b><u>(47,121)</u></b>
<b>Taxation</b>		
Taxation paid	<u>(3,828)</u>	<u>(55,559)</u>
<b>Net cash outflow for taxation</b>	<b><u>(3,828)</u></b>	<b><u>(55,559)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,347,232)	(642,939)
Purchase of fixed asset investments	(1,500)	-
Sale of tangible fixed assets	<u>11,177</u>	<u>4,000</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(1,337,555)</u></b>	<b><u>(638,939)</u></b>
<b>Financing</b>		
Loan repayments in year	(120,000)	20,000
Share issue	<u>1,500</u>	-
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(118,500)</u></b>	<b><u>20,000</u></b>

**Highfield School (Liphook) Ltd**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 August 2006**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 9 05 £	Cash flow £	At 31 8 06 £
Net cash			
Cash at bank and in hand	447	11,213	11,660
Bank overdraft	<u>(478,717)</u>	<u>(335,402)</u>	<u>(814,119)</u>
	<u>(478,270)</u>	<u>(324,189)</u>	<u>(802,459)</u>
Debt			
Debts falling due within one year	(120,000)	-	(120,000)
Debts falling due after one year	<u>(380,000)</u>	<u>120,000</u>	<u>(260,000)</u>
	<u>(500,000)</u>	<u>120,000</u>	<u>(380,000)</u>
Total	<u>(978,270)</u>	<u>(204,189)</u>	<u>(1,182,459)</u>

**4 MAJOR NON-CASH TRANSACTIONS**

During the year Highfield School (Liphook) Limited acquired the trade and assets Brookham Property (Liphook) Limited. The assets were acquired via the inter company account rather than via a cash transaction. Included within capital expenditure and financial investment is £914,537 purchase of tangible fixed assets and £1,500 purchase of fixed assets investments which relate to non cashflows. Included within Financing is £1,500 share issue relating to non cashflows.

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts**  
**for the Year Ended 31 August 2006**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Exemption from preparing consolidated financial statements**

The financial statements contain information about Highfield School (Liphook) Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

**Turnover**

Turnover represents invoiced fees and disbursements charged to pupils and are accounted for in the period in which the service is provided

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 5% on cost
Fixtures and fittings	- 25% on cost and 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

The company contributes to the Teachers Pension Scheme at rates set by the Teachers Pension Agency, part of the Department of Education and Skills

**2 STAFF COSTS**

	31 8 06	31 8 05
	£	£
Wages and salaries	1,314,848	1,246,059
Social security costs	102,018	101,731
Other pension costs	138,539	146,628
	<u>1,555,405</u>	<u>1,494,418</u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**2 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

	31 8 06	31 8 05
Management	2	2
Teachers	27	29
Teaching assistants	7	6
Domestic	6	1
Admin	5	10
Finance	2	1
Maintenance	4	3
Swimming Pool	8	2
	<u>61</u>	<u>54</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	31 8 06	31 8 05
	£	£
Depreciation - owned assets	130,604	107,944
(Profit)/Loss on disposal of fixed assets	(631)	2,364
Auditors' remuneration	<u>6,000</u>	<u>1,500</u>
Directors' emoluments	<u>59,584</u>	<u>124,674</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>2</u>	<u>2</u>
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**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 8 06	31 8 05
	£	£
Bank loan interest	24,861	35,464
Directors loan interest	<u>9,661</u>	<u>12,079</u>
	<u>34,522</u>	<u>47,543</u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	31 8 06 £	31 8 05 £
Current tax		
UK corporation tax	<u>3,054</u>	<u>28,397</u>
Deferred tax		
Deferred tax	-	13,644
Capital allowances in excess of depreciation	<u>(2,581)</u>	<u>-</u>
Total deferred tax	<u>(2,581)</u>	<u>13,644</u>
Tax on profit on ordinary activities	<u><u>473</u></u>	<u><u>42,041</u></u>

UK corporation tax has been charged at 19%

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 8 06 £	31 8 05 £
Profit on ordinary activities before tax	<u><u>6,429</u></u>	<u><u>227,212</u></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	1,222	43,170
Effects of		
Disallowable expenses	2,307	1,820
Capital allowances in excess of depreciation	(469)	(16,593)
Investment income	<u>(6)</u>	<u>-</u>
Current tax charge	<u><u>3,054</u></u>	<u><u>28,397</u></u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**6 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 September 2005	1,801,256	1,089,383	85,049
Additions	<u>1,239,459</u>	<u>3,332</u>	<u>-</u>
At 31 August 2006	<u>3,040,715</u>	<u>1,092,715</u>	<u>85,049</u>
<b>DEPRECIATION</b>			
At 1 September 2005	316,314	22,659	7,361
Charge for year	<u>42,814</u>	<u>22,792</u>	<u>4,252</u>
At 31 August 2006	<u>359,128</u>	<u>45,451</u>	<u>11,613</u>
<b>NET BOOK VALUE</b>			
At 31 August 2006	<u>2,681,587</u>	<u>1,047,264</u>	<u>73,436</u>
At 31 August 2005	<u>1,484,942</u>	<u>1,066,724</u>	<u>77,688</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2005	352,711	13,250	137,193	3,478,842
Additions	37,980	-	66,461	1,347,232
Disposals	<u>-</u>	<u>-</u>	<u>(10,546)</u>	<u>(10,546)</u>
At 31 August 2006	<u>390,691</u>	<u>13,250</u>	<u>193,108</u>	<u>4,815,528</u>
<b>DEPRECIATION</b>				
At 1 September 2005	239,263	11,870	111,079	708,546
Charge for year	<u>29,993</u>	<u>460</u>	<u>30,293</u>	<u>130,604</u>
At 31 August 2006	<u>269,256</u>	<u>12,330</u>	<u>141,372</u>	<u>839,150</u>
<b>NET BOOK VALUE</b>				
At 31 August 2006	<u>121,435</u>	<u>920</u>	<u>51,736</u>	<u>3,976,378</u>
At 31 August 2005	<u>113,448</u>	<u>1,380</u>	<u>26,114</u>	<u>2,770,296</u>

**7 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>1,500</u>
At 31 August 2006	<u>1,500</u>
<b>NET BOOK VALUE</b>	
At 31 August 2006	<u>1,500</u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**7 FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following

**Brookham Properties (Liphook) Limited**

Nature of business School for boys & girls aged 3-8

Class of shares	% holding		
Ordinary	100 00	31 8 06	31 8 05
		£	£
Aggregate capital and reserves		661,274	464,009
Profit for the year		<u>197,265</u>	<u>70,600</u>

**8 STOCKS**

	31 8 06	31 8 05
	£	£
Stock	<u>45,651</u>	<u>41,099</u>

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 8 06	31 8 05
	£	£
Trade debtors	25,608	31,493
Other debtors	12,589	-
VAT	3,085	475
Prepayments and accrued income	<u>83,108</u>	<u>57,221</u>
	<u>124,390</u>	<u>89,189</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 8 06	31 8 05
	£	£
Bank loans and overdrafts (see note 12)	934,119	598,717
Trade creditors	105,365	39,635
Tax	25,870	28,397
Social security and other taxes	46,344	32,589
Other creditors	739,964	172,461
Accrued expenses	<u>468,162</u>	<u>348,443</u>
	<u>2,319,824</u>	<u>1,220,242</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 8 06	31 8 05
	£	£
Bank loans (see note 12)	260,000	380,000
Other creditors	131,873	-
Directors loan	<u>306,465</u>	<u>166,000</u>
	<u>698,338</u>	<u>546,000</u>



**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**12 LOANS**

An analysis of the maturity of loans is given below

	31 8 06	31 8 05
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	814,119	478,717
Bank loans	<u>120,000</u>	<u>120,000</u>
	<u>934,119</u>	<u>598,717</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>260,000</u>	<u>380,000</u>

**13 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

		Other operating leases
	31 8 06	31 8 05
	£	£
Expiring Within one year	<u>-</u>	<u>10,380</u>

**14 SECURED DEBTS**

The following secured debts are included within creditors

	31 8 06	31 8 05
	£	£
Bank overdrafts	814,119	478,717
Bank loans	380,000	500,000
	<u>-</u>	<u>500,000</u>
	<u>1,194,119</u>	<u>1,478,717</u>

The bank overdraft and loan are secured by a legal charge over the freehold property at Highfield Lane, Liphook Hampshire in favour of Barclays Bank Plc

**15 PROVISIONS FOR LIABILITIES**

	31 8 06	31 8 05
	£	£
Deferred tax	<u>55,633</u>	<u>56,461</u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**15 PROVISIONS FOR LIABILITIES - continued**

				Deferred tax £
Balance at 1 September 2005				56,461
Capital allowances in excess of depreciation				(828)
				<hr/>
Balance at 31 August 2006				<u>55,633</u>

**16 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid Number	Class	Nominal value £1	31 8 06 £	31 8 05 £
6,500 (31 8 05 - 5,000)	Ordinary	£1	6,500	5,000
			<hr/>	<hr/>

1,500 Ordinary shares of £1 each were in a share for share exchange during the year

**17 RESERVES**

		Profit and loss account £
At 1 September 2005		1,073,328
Profit for the year		<u>5,956</u>
At 31 August 2006		<u>1,079,284</u>

**18 CAPITAL COMMITMENTS**

	31 8 06 £	31 8 05 £
Contracted but not provided for in the financial statements	<hr/> -	<u>216,828</u>

**Highfield School (Liphook) Ltd**

**Notes to the Abbreviated Accounts - continued**  
**for the Year Ended 31 August 2006**

**19 RELATED PARTY DISCLOSURES**

During the year Highfield School (Liphook) Limited acquired 100% of the share capital of Brookham Property (Liphook) Limited

At 31 August 2006 Highfield School (Liphook) Limited purchased the trade and assets of Brookham Property (Liphook) Limited for £539,595

During the year Brookham Property (Liphook) Limited paid rent to Highfield School (Liphook) Limited totalling £10,825 (2005 £8,660) Highfield School (Liphook) Limited paid rent of £12,975 (2005 £10,380) to Brookham Property (Liphook) Limited

Highfield School (Liphook) Limited paid for costs on behalf of Brookham Property (Liphook) Limited, totalling £145,426 (2005 £56,839), these were recharged during the year

Highfield School (Liphook) Limited paid a management charge of £nil (2005 £64,827) to Brookham Property (Liphook) Limited during the year

At the year end Highfield School (Liphook) Limited owed Brookham Property (Liphook) Limited £661,274 (2005 £94,986)

During the year the company paid loan interest amounting to £9,661 (2005 £12,079) to Mrs E C Mills, wife of director W S Mills

During the year 1,500 Ordinary £1 shares were issued to W S Mills in a share for share exchange for the shares he owned in Brookham Property (Liphook) Limited

**20 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is W S Mills

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 8 06	31 8 05
	£	£
Profit for the financial year	5,956	185,171
Shares issued	<u>1,500</u>	<u>-</u>
Net addition to shareholders' funds	7,456	185,171
Opening shareholders' funds	<u>1,078,328</u>	<u>893,157</u>
Closing shareholders' funds	<u><u>1,085,784</u></u>	<u><u>1,078,328</u></u>
Equity interests	<u><u>1,085,784</u></u>	<u><u>1,078,328</u></u>