

HIGHFIELD SCHOOL (LIPHOOK) LIMITED
ABBREVIATED ACCOUNTS
31 AUGUST 2011



SHIPLEYS LLP
Chartered Accountants & Statutory Auditor
3 Godalming Business Centre
Woolsack Way
Godalming
Surrey
GU7 1XW

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Company secretary

M Harris

Registered office

Highfield School
Highfield Lane
Liphook
Hampshire
GU30 7LQ

Auditor

Shipleys LLP
Chartered Accountants
& Statutory Auditor
3 Godalming Business Centre
Woolsack Way
Godalming
Surrey
GU7 1XW

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was an independent nursery, pre-preparatory and preparatory school for boys and girls between the ages of 2 and 13 Brookham School is the nursery and pre- prep and Highfield School is the preparatory school The schools aim to offer an innovative education to an exceptional standard with a good balance of day and boarding pupils, making full use of the extensive 175 acre site

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

PERFORMANCE AND FINANCIAL REVIEW

The Schools ended the 2010/11 year with 461 pupils 223 at Brookham School (including 48 in Nursery) and 238 at Highfield School This was an increase of 11 pupils since the 2009/10 year 220 at Brookham School (including 45 in Nursery) and 230 at Highfield School Turnover for the year increased by £363,987, from £5,235,977 in 2009/10 to £5,599,964 in 2010/11, an increase of 6.95% Administrative expenses rose by £255,283 from £2,041,596 to £2,296,879, an increase of 12.5% Capital expenditure during the year amounted to £660,529

FUTURE DEVELOPMENTS

In addition to the completion of the new storage facility, the company converted the existing Brookham staffroom into an additional classroom, with a new staffroom above Two existing cottages have been replaced with two detached houses, after problems were encountered with the redevelopment of the existing cottages The company started on the development of a new visitor's pool changing room, to be completed in the following year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £220,134 The directors have not recommended a dividend

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's 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 producing detailed monthly management accounts and caseload reports.

In the current market the company is exposed to price risk and it is a difficult climate in which to increase prices as market conditions are holding prices down.

The company is exposed to cashflow risk. Additional working capital in the form of a bank loan was obtained to fund the extension of Brookham School.

The company's cashflow is also dependent on fees being paid in advance and if the current economic climate causes a reduction in fees being paid in advance this will impact on the company's cashflow. The company has secured facilities with its bankers to cover the potential shortfall.

The exposure of the company to credit risk is carefully monitored at finance meetings and legal action is taken where appropriate against outstanding fees to minimise this risk.

The company is exposed to liquidity risk to the extent its current liabilities exceed its current assets. The significant current liabilities include deferred income relating to the next terms fees.

The key performance indicators (KPI's) used to determine the progress and performance of the company over time are pupil numbers and profitability ratios.

PRINCIPLE RISKS AND UNCERTAINTIES

The Company is concerned about the impact of the Government's austerity measures and continues to monitor both pupil numbers and bad debts very closely.

DIRECTORS

The directors who served the company during the year were as follows:

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

FIXED ASSETS

The fixed assets are recorded in the financial statements at historical cost. The Directors believe that the current market value is likely to materially exceed this.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

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 those 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

Registered office
Highfield School
Highfield Lane
Liphook
Hampshire
GU30 7LQ

Signed on behalf of the directors



W S Mills

Director

Approved by the directors on 12 April 2012

HIGHFIELD SCHOOL (LIPHOOK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO HIGHFIELD SCHOOL
(LIPHOOK) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Highfield School (Liphook) Limited for the year ended 31 August 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



STEPHEN FOSTER (Senior Statutory Auditor)

For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

3 Godalming Business Centre
Woolsack Way
Godalming
Surrey
GU7 1XW

17 April 2012

HIGHFIELD SCHOOL (LIPHOOK) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2011

	Note	2011 £	2010 £
TURNOVER		5,599,964	5,235,977
Cost of Sales and Other operating income		(2,979,000)	(2,637,169)
Administrative expenses		(2,296,879)	(2,041,596)
OPERATING PROFIT	2	<u>324,085</u>	<u>557,212</u>
Interest payable and similar charges	5	(16,333)	(25,613)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>307,752</u>	<u>531,599</u>
Tax on profit on ordinary activities	6	(87,618)	(176,245)
PROFIT FOR THE FINANCIAL YEAR		<u><u>220,134</u></u>	<u><u>355,354</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 9 to 18 form part of these abbreviated accounts

HIGHFIELD SCHOOL (LIPHOOK) LIMITED


ABBREVIATED BALANCE SHEET

31 AUGUST 2011

	Note	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	7		5,510,505		5,044,673
CURRENT ASSETS					
Stocks	8	48,950		36,930	
Debtors	9	291,659		260,369	
Cash in hand		2,062		754	
		<u>342,671</u>		<u>298,053</u>	
CREDITORS. Amounts falling due within one year	10	<u>(1,444,413)</u>		<u>(1,016,973)</u>	
NET CURRENT LIABILITIES			<u>(1,101,742)</u>		<u>(718,920)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,408,763		4,325,753
CREDITORS. Amounts falling due after more than one year	11		(1,457,892)		(1,587,916)
PROVISIONS FOR LIABILITIES					
Deferred taxation	13		<u>(131,478)</u>		<u>(138,578)</u>
			<u>2,819,393</u>		<u>2,599,259</u>
CAPITAL AND RESERVES					
Called-up equity share capital	14		6,500		6,500
Profit and loss account	15		<u>2,812,893</u>		<u>2,592,759</u>
SHAREHOLDERS' FUNDS	16		<u>2,819,393</u>		<u>2,599,259</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 12 April 2012, and are signed on their behalf by


WS Mills

Company Registration Number 1220993

The notes on pages 9 to 18 form part of these abbreviated accounts

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2011

	Note	2011 £	£	2010 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		644,920		589,270
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17		(16,333)		(25,613)
TAXATION	17		(150,825)		(114,588)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	17		(659,629)		(454,694)
CASH OUTFLOW BEFORE FINANCING			(181,867)		(5,625)
FINANCING	17		62,072		130,017
(DECREASE)/INCREASE IN CASH	17		<u>(119,795)</u>		<u>124,392</u>

The notes on pages 9 to 18 form part of these abbreviated accounts

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

The directors are satisfied that the company is a going concern as they have reviewed the cashflows going forward and are confident that any required support will be provided by the bank

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 2% Straight Line
Plant & Machinery	- 5% Straight Line
Fixtures & Fittings	- 25%, 10% & 5% Straight Line
Motor Vehicles	- 20% Straight Line
Computer Equipment	- 33% Straight Line
Swimming Pool Complex	- 10% & 2% Straight Line

Stocks

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

The school also contributes to the Teachers' Pension Benefits Scheme at rates set by the scheme actuary and advised to the school by the scheme administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the scheme administrator.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	194,697	178,381
Profit on disposal of fixed assets	(900)	(500)
Auditor's remuneration		
- as auditor	10,600	10,200
- for other services	6,318	7,440

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2011	2010
	£	£
Audit	10,600	10,200
Accountancy	4,318	4,606
Taxation	2,000	2,834
	<u>16,918</u>	<u>17,640</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2011	2010
	No	No
Activities	5	6
Admin	9	9
Management	3	4
Teaching Staff	46	43
Teaching Assistants	29	29
Domestic	6	6
Finance	3	2
Maintenance	9	11
Swimming Pool	8	8
	<u>118</u>	<u>118</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	2,357,268	2,188,096
Social security costs	184,155	168,527
Other pension costs	243,024	226,895
	<u>2,784,447</u>	<u>2,583,518</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	155,948	144,330
Value of company pension contributions to money purchase schemes	21,009	19,670
	<u>176,957</u>	<u>164,000</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

4. DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	6,614	8,513
Other similar charges payable	<u>9,719</u>	<u>17,100</u>
	<u>16,333</u>	<u>25,613</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2010 - 28%)	<u>94,718</u>	<u>150,825</u>
Total current tax	<u>94,718</u>	<u>150,825</u>
Deferred tax		
Origination and reversal of timing differences	<u>(7,100)</u>	<u>25,420</u>
Tax on profit on ordinary activities	<u>87,618</u>	<u>176,245</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>307,752</u>	<u>531,599</u>
Profit on ordinary activities by rate of tax	86,171	148,848
Expenses not deductible for tax purposes	(735)	595
Capital allowances for period in excess of depreciation	18,623	4,863
Marginal relief	(9,341)	(3,481)
Total current tax (note 6(a))	<u>94,718</u>	<u>150,825</u>

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming Pool complex £	Other Assets £	Total £
COST						
At 1 Sep 2010	4,420,052	85,049	570,180	1,101,127	374,967	6,551,375
Additions	435,309	—	36,579	169,458	19,183	660,529
Disposals	—	—	(9,782)	—	—	(9,782)
At 31 Aug 2011	<u>4,855,361</u>	<u>85,049</u>	<u>596,977</u>	<u>1,270,585</u>	<u>394,150</u>	<u>7,202,122</u>
DEPRECIATION						
At 1 Sep 2010	633,326	28,623	395,668	138,265	310,820	1,506,702
Charge for the year	90,649	4,253	37,007	23,514	39,274	194,697
On disposals	—	—	(9,782)	—	—	(9,782)
At 31 Aug 2011	<u>723,975</u>	<u>32,876</u>	<u>422,893</u>	<u>161,779</u>	<u>350,094</u>	<u>1,691,617</u>
NET BOOK VALUE						
At 31 Aug 2011	<u>4,131,386</u>	<u>52,173</u>	<u>174,084</u>	<u>1,108,806</u>	<u>44,056</u>	<u>5,510,505</u>
At 31 Aug 2010	<u>3,786,726</u>	<u>56,426</u>	<u>174,512</u>	<u>962,862</u>	<u>64,147</u>	<u>5,044,673</u>

Capital commitments

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>500,000</u>	<u>60,527</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

7. TANGIBLE FIXED ASSETS *(continued)*

8. STOCKS

	2011 £	2010 £
Finished goods	<u>48,950</u>	<u>36,930</u>

9 DEBTORS

	2011 £	2010 £
Trade debtors	27,926	18,903
Other debtors	29,019	21,962
Prepayments and accrued income	234,714	219,504
	<u>291,659</u>	<u>260,369</u>

10. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Overdrafts	121,139	36
Trade creditors	101,708	125,785
Corporation tax	94,718	150,825
Other taxation and social security	63,932	61,279
Other creditors	220,018	239,853
Directors current accounts	328,471	–
Accruals and deferred income	514,427	439,195
	<u>1,444,413</u>	<u>1,016,973</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Overdrafts	<u>121,139</u>	<u>36</u>

11. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	1,000,000	1,000,000
Other creditors	457,892	395,820
Directors' loan accounts	–	192,096
	<u>1,457,892</u>	<u>1,587,916</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

11. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	<u>1,000,000</u>	<u>1,000,000</u>

On 6 October 2008, National Westminster Bank Plc issued a first legal charge over the freehold land and buildings known as Highfield School and Brookham School as security for all the company's liabilities due to National Westminster Bank Plc

12. PENSIONS

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

The latest actuarial valuation of the Scheme by the Government Actuary issued October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007 and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75% with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. This cost-sharing agreement has also introduced - effective first time from the 2008 valuation - a 14% cap on employer contributions payable.

In addition, the company contributes to personal pension schemes for the benefit of employees, in the form of defined contribution policies. Assets of the schemes are held independently of the company.

The pension charge for the period includes contributions payable of £254,472 (2010 £234,483) and the outstanding contributions at the year end were £30,616 (2010 £28,219). Of this, £27,380 (2010 £24,165) relates to the Teachers Pension Scheme.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2011 £	2010 £
Provision brought forward	138,578	113,158
Profit and loss account movement arising during the year	(7,100)	25,420
Provision carried forward	<u>131,478</u>	<u>138,578</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	<u>131,478</u>	<u>138,578</u>
	<u>131,478</u>	<u>138,578</u>

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
6,500 Ordinary shares of £1 each	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>

15. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	2,592,759	2,237,405
Profit for the financial year	<u>220,134</u>	<u>355,354</u>
Balance carried forward	<u>2,812,893</u>	<u>2,592,759</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	220,134	355,354
Opening shareholders' funds	<u>2,599,259</u>	<u>2,243,905</u>
Closing shareholders' funds	<u>2,819,393</u>	<u>2,599,259</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

17. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	324,085	557,212
Depreciation	194,697	178,381
Profit on disposal of fixed assets	(900)	(500)
Increase in stocks	(12,020)	(1,503)
(Increase)/decrease in debtors	(31,290)	17,270
Increase/(decrease) in creditors	170,348	(161,590)
Net cash inflow from operating activities	<u>644,920</u>	<u>589,270</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Interest paid	<u>(16,333)</u>	<u>(25,613)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(16,333)</u>	<u>(25,613)</u>

TAXATION

	2011 £	2010 £
Taxation	<u>(150,825)</u>	<u>(114,588)</u>

CAPITAL EXPENDITURE

	2011 £	2010 £
Payments to acquire tangible fixed assets	(660,529)	(455,193)
Receipts from sale of fixed assets	900	499
Net cash outflow from capital expenditure	<u>(659,629)</u>	<u>(454,694)</u>

FINANCING

	2011 £	2010 £
Net inflow from other long-term creditors	62,072	228,886
Repayment of directors' long-term loans	—	(98,869)
Net cash inflow from financing	<u>62,072</u>	<u>130,017</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2011

17. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the period	(119,795)		124,392	
Net cash (inflow) from other long-term creditors	(62,072)		(228,886)	
Cash outflow from directors' long-term loans	—		98,869	
Change in net debt resulting from cash flows		(181,867)		(5,625)
Non-cash adj to L/T Directors loans		192,096		—
Movement in net debt in the period		10,229		(5,625)
Net debt at 1 September 2010		(1,587,198)		(1,581,573)
Net debt at 31 August 2011		(1,576,969)		(1,587,198)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2010	Cash flows	Other changes	At 31 Aug 2011
	£	£	£	£
Net cash				
Cash in hand and at bank	754	1,308	—	2,062
Overdrafts	(36)	(121,103)	—	(121,139)
	718	(119,795)	—	(119,077)
Debt				
Debt due after 1 year	(1,587,916)	(62,072)	192,096	(1,457,892)
Net debt	(1,587,198)	(181,867)	192,096	(1,576,969)

18. CONTROLLING PARTY

The company was under the control of W S Mills