

COMPANY REGISTRATION NUMBER 1220993

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31 AUGUST 2012**



# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 AUGUST 2012**

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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 2012**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2012

#### **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 2011/12 year with 479 pupils 227 at Brookham School (including 44 in Nursery) and 252 at Highfield School This was an increase of 18 pupils since the 2010/11 year 223 at Brookham School (including 48 in Nursery) and 238 at Highfield School Turnover for the year increased by £468,061, from £5,599,964 in 2010/11 to £6,068,025 in 2011/12, an increase of 8.36% Administrative expenses rose by £217,207 from £2,296,879 to £2,514,086, an increase of 9.5% Capital expenditure during the year amounted to £744,430

#### **FUTURE DEVELOPMENTS**

In addition to the completion of the two detached houses and a new visitor's pool changing room, a new subsidiary Brookham Energy Limited was formed on the 13 August 2012 Brookham Energy Limited will develop a Biomass system which will be completed in the next financial year The company is also considering the installation of solar panels on the swimming pool roof and an extension to the Masters House

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £338,627 The directors have not recommended a dividend

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2012**

### **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 initial costs of the Biomass System through Brookham Energy Limited.

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 2012

### 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 26 February 2013

**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 2012 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**

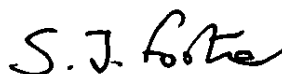
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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

24 April 2013

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>		6,068,025	5,599,964
Cost of Sales and Other operating income		(3,026,674)	(2,979,000)
Administrative expenses		(2,525,979)	(2,296,879)
<b>OPERATING PROFIT</b>	<b>3</b>	<u>515,372</u>	<u>324,085</u>
Interest payable and similar charges	<b>6</b>	(22,922)	(16,333)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>492,450</u>	<u>307,752</u>
Tax on profit on ordinary activities	<b>7</b>	(153,823)	(87,618)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>338,627</u></u>	<u><u>220,134</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 19 form part of these abbreviated accounts



# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## ABBREVIATED BALANCE SHEET

31 AUGUST 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,033,795	5,510,505
<b>CURRENT ASSETS</b>			
Stocks	9	56,211	48,950
Debtors	10	448,682	291,659
Investments	11	100	—
Cash in hand		721	2,062
		<u>505,714</u>	<u>342,671</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(2,168,276)</u>	<u>(1,444,413)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,662,562)</u>	<u>(1,101,742)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,371,233</u>	<u>4,408,763</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	(1,073,727)	(1,457,892)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	15	(139,486)	(131,478)
		<u>3,158,020</u>	<u>2,819,393</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	16	6,500	6,500
Profit and loss account	17	3,151,520	2,812,893
<b>SHAREHOLDERS' FUNDS</b>	18	<u>3,158,020</u>	<u>2,819,393</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 26 February 2013, and are signed on their behalf by

W S Mills  
Director



Company Registration Number 1220993

The notes on pages 9 to 19 form part of these abbreviated accounts

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2012

	Note	2012 £	£	2011 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		512,809		644,920
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	19		(22,922)		(16,333)
TAXATION	19		(94,718)		(150,825)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	19		(744,530)		(659,629)
CASH OUTFLOW BEFORE FINANCING			<u>(349,361)</u>		<u>(181,867)</u>
FINANCING	19		(384,165)		62,072
DECREASE IN CASH	19		<u>(733,526)</u>		<u>(119,795)</u>

The notes on pages 9 to 19 form part of these abbreviated accounts.

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 AUGUST 2012**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

#### **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

#### **Investments**

All investments 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.

#### **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

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 1. ACCOUNTING POLICIES *(continued)*

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. GOING CONCERN

At the year end the company has net current liabilities of £1,662,562 (2011 £1,101,742). The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as they have reviewed the cashflows and there is bank funding in place where necessary. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	217,315	194,697
Profit on disposal of fixed assets	—	(900)
Auditor's remuneration - audit of the financial statements	11,000	10,600
Auditor's remuneration - other fees	8,080	6,318

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>11,000</u>	<u>10,600</u>
Auditor's remuneration - other fees		
- Taxation services	2,500	2,000
- Accountancy	<u>5,580</u>	<u>4,318</u>
	<u>8,080</u>	<u>6,318</u>

### 4. PARTICULARS OF EMPLOYEES

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

	2012 No	2011 No
Activities	6	5
Admin	10	9
Management	3	3
Teaching Staff	42	46
Teaching Assistants	35	29
Domestic	9	6
Finance	3	3
Maintenance	9	9
Swimming Pool	1	8
	<u>118</u>	<u>118</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,408,281	2,357,268
Social security costs	193,323	184,155
Other pension costs	<u>253,577</u>	<u>243,024</u>
	<u>2,855,181</u>	<u>2,784,447</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	164,325	155,948
Value of company pension contributions to money purchase schemes	21,784	21,009
	<u>186,109</u>	<u>176,957</u>

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

	2012 No	2011 No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest payable on bank borrowing	19,126	6,614
Other similar charges payable	3,796	9,719
	<u>22,922</u>	<u>16,333</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24.80% (2011 - 28%)	145,815	94,718
Total current tax	<u>145,815</u>	<u>94,718</u>
Deferred tax		
Origination and reversal of timing differences	8,008	(7,100)
Tax on profit on ordinary activities	<u>153,823</u>	<u>87,618</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 7. 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 24.80% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	492,450	307,752
Profit on ordinary activities by rate of tax	122,128	86,171
Expenses not deductible for tax purposes	460	(735)
Capital allowances for period in excess of depreciation	24,322	18,623
Marginal relief	(2,094)	(9,341)
Sundry tax adjusting items	999	-
Total current tax (note 7(a))	145,815	94,718

### 8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming Pool complex £	Other Assets £	Total £
<b>COST</b>						
At 1 Sep 2011	4,855,361	85,049	596,977	1,270,585	394,150	7,202,122
Additions	431,714	-	79,911	226,411	6,394	744,430
Disposals	(3,825)	-	-	-	-	(3,825)
<b>At 31 Aug 2012</b>	<b>5,283,250</b>	<b>85,049</b>	<b>676,888</b>	<b>1,496,996</b>	<b>400,544</b>	<b>7,942,727</b>
<b>DEPRECIATION</b>						
At 1 Sep 2011	723,975	32,876	422,893	161,779	350,094	1,691,617
Charge for the year	105,269	4,252	44,282	31,569	31,943	217,315
<b>At 31 Aug 2012</b>	<b>829,244</b>	<b>37,128</b>	<b>467,175</b>	<b>193,348</b>	<b>382,037</b>	<b>1,908,932</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2012</b>	<b>4,454,006</b>	<b>47,921</b>	<b>209,713</b>	<b>1,303,648</b>	<b>18,507</b>	<b>6,033,795</b>
At 31 Aug 2011	4,131,386	52,173	174,084	1,108,806	44,056	5,510,505

#### Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	-	500,000

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 8. TANGIBLE FIXED ASSETS *(continued)*

### 9. STOCKS

	2012 £	2011 £
Finished goods	<u>56,211</u>	<u>48,950</u>

### 10. DEBTORS

	2012 £	2011 £
Trade debtors	19,554	27,926
Amounts owed by group undertakings	150,126	—
Other debtors	2,408	29,019
Prepayments and accrued income	<u>276,594</u>	<u>234,714</u>
	<u>448,682</u>	<u>291,659</u>

### 11. INVESTMENTS

	2012 £	2011 £
Shares in group undertakings	<u>100</u>	<u>—</u>

During the year a 100% owned subsidiary company, Brookham Energy Limited, was incorporated. Under the provision of section 405 of the Companies Act 2006, the company is exempt from preparing group accounts as the subsidiary is immaterial.

	2012 £	2011 £
<b>Aggregate capital and reserves</b>		
Brookham Energy Limited	100	—
<b>Profit and (loss) for the year</b>		
Brookham Energy Limited	—	—



# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 12. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Overdrafts	853,324	121,139
Trade creditors	177,462	101,708
Corporation tax	145,815	94,718
Other taxation and social security	65,544	63,932
Other creditors	476,291	420,018
Directors current accounts	—	128,471
Accruals and deferred income	449,840	514,427
	<u>2,168,276</u>	<u>1,444,413</u>

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

	2012	2011
	£	£
Overdrafts	<u>853,324</u>	<u>121,139</u>

### 13. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans and overdrafts	430,000	1,000,000
Other creditors	643,727	457,892
	<u>1,073,727</u>	<u>1,457,892</u>

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

	2012	2011
	£	£
Bank loans and overdrafts	<u>430,000</u>	<u>1,000,000</u>

On 25 November 2011, HSBC 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 HSBC Bank Plc

On 8 March 2012, the company guaranteed to HSBC Bank Plc all money and liabilities whatever, whenever and howsoever incurred by William Stabb Mills whether now or in the future. The property charged is Highfield School, Highfield Lane, Liphook, Hampshire

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 14. 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 200.7bn.

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 between 6.4% and 8.8%.

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 £265,595 (2011 - £254,472) and the outstanding contributions at the year end were £32,473 (2011 - £30,616). Of this, £28,088 (2011 - £27,380) relates to the Teachers Pension Scheme.

### 15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	131,478	138,578
Profit and loss account movement arising during the year	8,008	(7,100)
Provision carried forward	<u>139,486</u>	<u>131,478</u>

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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	139,486	131,478
	<u>139,486</u>	<u>131,478</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 16. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	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>

### 17. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	2,812,893	2,592,759
Profit for the financial year	<u>338,627</u>	<u>220,134</u>
Balance carried forward	<u>3,151,520</u>	<u>2,812,893</u>

### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	338,627	220,134
Opening shareholders' funds	<u>2,819,393</u>	<u>2,599,259</u>
Closing shareholders' funds	<u>3,158,020</u>	<u>2,819,393</u>

### 19. NOTES TO THE CASH FLOW STATEMENT

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	515,372	324,085
Depreciation	217,315	194,697
Profit on disposal of fixed assets	—	(900)
Increase in stocks	(7,261)	(12,020)
Increase in debtors	(153,198)	(31,290)
(Decrease)/increase in creditors	<u>(59,419)</u>	<u>170,348</u>
Net cash inflow from operating activities	<u>512,809</u>	<u>644,920</u>

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012	2011
	£	£
Interest paid	<u>(22,922)</u>	<u>(16,333)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(22,922)</u>	<u>(16,333)</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 19. NOTES TO THE CASH FLOW STATEMENT *(continued)*

#### TAXATION

	2012	2011
	£	£
Taxation	<u>(94,718)</u>	<u>(150,825)</u>

#### CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(744,430)	(660,529)
Receipts from sale of fixed assets	–	900
Acquisition of current asset investments in group undertakings	<u>(100)</u>	<u>–</u>
Net cash outflow for capital expenditure and financial investment	<u>(744,530)</u>	<u>(659,629)</u>

#### FINANCING

	2012	2011
	£	£
Repayment of bank loans	(570,000)	–
Net inflow from other long-term creditors	<u>185,835</u>	<u>62,072</u>
Net cash (outflow)/inflow from financing	<u>(384,165)</u>	<u>62,072</u>

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Decrease in cash in the period	(733,526)	(119,795)
Net cash outflow from bank loans	570,000	–
Net cash (inflow) from other long-term creditors	<u>(185,835)</u>	<u>(62,072)</u>
Change in net debt resulting from cash flows	(349,361)	(181,867)
Non-cash adj to L/T Directors loans	<u>–</u>	<u>192,096</u>
Movement in net debt in the period	<u>(349,361)</u>	<u>10,229</u>
Net debt at 1 September 2011	<u>(1,576,969)</u>	<u>(1,587,198)</u>
Net debt at 31 August 2012	<u>(1,926,330)</u>	<u>(1,576,969)</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2012

### 19. NOTES TO THE CASH FLOW STATEMENT *(continued)*

#### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2011 £	Cash flows £	At 31 Aug 2012 £
Net cash			
Cash in hand and at bank	2,062	(1,341)	721
Overdrafts	(121,139)	(732,185)	(853,324)
	<u>(119,077)</u>	<u>(733,526)</u>	<u>(852,603)</u>
Debt			
Debt due after 1 year	(1,457,892)	384,165	(1,073,727)
	<u>(1,576,969)</u>	<u>(349,361)</u>	<u>(1,926,330)</u>

### 20. CONTROLLING PARTY

The company was under the control of W S Mills