

COMPANY REGISTRATION NUMBER 1220993

HIGHFIELD SCHOOL (LIPHOOK) LIMITED
CONSOLIDATED
FINANCIAL STATEMENTS
31 AUGUST 2015



HIGHFIELD SCHOOL (LIPHOOK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

PGS Evitt
JA Herring
J Leigh
WS Mills
JW 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

STRATEGIC REPORT

YEAR ENDED 31 AUGUST 2015

The directors present their report for the year ended 31 August 2015.

BUSINESS REVIEW

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

The school ended the 2014/2015 year with 498 pupils: 217 at Brookham School (an increase of 10 pupils) and 281 at Highfield School (an increase of 11). Boarding numbers have increased throughout the course of the year to 118 pupils at the year end in comparison to 102 the previous year. An International Summer School was held for the first time during July 2015, with a further school planned for July 2016.

KEY PERFORMANCE INDICATORS

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

FUTURE DEVELOPMENTS

Pupil numbers remain buoyant and for the start of the 2015/2016 Academic Year, Highfield has seen its pupil numbers increase to 289 with 104 boarders and part time boarders, although as in previous years we expect to see this number increase over the course of the Academic Year. Brookham's numbers of 193 have seen a decline due to a large year group moving into Highfield, but with a new Headteacher and exciting developments the aim is to gradually increase pupil numbers to previous year's levels and in the long term develop the Nursery and Reception groups. Current confirmed numbers for the Autumn Term 2016/2017: Highfield 297 with an increase in boarding numbers from 2015/16. Brookham currently has 161 confirmed, although we remain optimistic these numbers will increase to at least the same level of 2015/2016.

The company continues to invest in the school and is undergoing an extensive repairs and maintenance programme throughout the school and its grounds. The school is now part of the South Downs National Park and is currently in the process of producing a long term Landscape Master Plan with discussions and support from the National Park Authority to ensure the schools success in years to come.

A new development which incorporates an extension to the catering facility, additional boarding facilities and residential accommodation across three floors commences at the start of the Spring 2016 term for completion in time for the new 2016/2017 Academic Year.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is concerned about the impact of the Governments austerity measures and continues to monitor both pupil numbers and bad debts very closely.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 AUGUST 2015

The group'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 group'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 cashflow reports.

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

The group 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 group'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 Group's cashflow. The company has secured facilities with its bankers to cover the potential shortfall.

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

The group 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.

Signed on behalf of the directors



WS Mills
Director

Approved by the directors on 12 / 4 / 16

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2015

The directors present their report and the financial statements of the group for the year ended 31 August 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £684,629. The directors have not recommended a dividend.

DIRECTORS

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

PGS Evitt

JA Herring

J Leigh

WS Mills

JW Wardrobe

DE Gardiner

(Resigned 31 August 2015)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2015

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Highfield School
Highfield Lane
Liphook
Hampshire
GU30 7LQ

Signed on behalf of the directors



WS Mills
Director

Approved by the directors on 12 / 4 / 16

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED

YEAR ENDED 31 AUGUST 2015

We have audited the group and parent company financial statements of Highfield School (Liphook) Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow 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).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 August 2015 and of the group's profit 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.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED *(continued)*

YEAR ENDED 31 AUGUST 2015

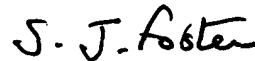
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



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

19/04/2016

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
GROUP TURNOVER	3	7,847,158	7,040,288
Cost of sales		<u>(3,883,510)</u>	<u>(3,575,172)</u>
GROSS PROFIT		3,963,648	3,465,116
Administrative expenses		<u>(3,134,732)</u>	<u>(2,891,028)</u>
Other operating income	4	79,681	60,300
OPERATING PROFIT	5	908,597	634,388
Interest receivable		—	42
Interest payable and similar charges	8	<u>(13,433)</u>	<u>(25,986)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		895,164	608,444
Tax on profit on ordinary activities	9	<u>(210,535)</u>	<u>(154,039)</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u>684,629</u>	<u>454,405</u>

All of the activities of the group are classed as continuing.

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 14 to 25 form part of these financial statements.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

GROUP BALANCE SHEET

31 AUGUST 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	11	8,093,382	7,488,922
CURRENT ASSETS			
Stocks	12	77,341	62,370
Debtors	13	369,604	332,174
Cash in hand		1,941	2,206
		<u>448,886</u>	<u>396,750</u>
CREDITORS: Amounts falling due within one year	15	<u>(2,959,019)</u>	<u>(2,872,309)</u>
NET CURRENT LIABILITIES		<u>(2,510,133)</u>	<u>(2,475,559)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,583,249	5,013,363
CREDITORS: Amounts falling due after more than one year	16	(715,110)	(872,790)
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	<u>(297,402)</u>	<u>(254,465)</u>
		<u>4,570,737</u>	<u>3,886,108</u>
CAPITAL AND RESERVES			
Called up equity share capital	20	6,500	6,500
Profit and loss account	21	<u>4,564,237</u>	<u>3,879,608</u>
SHAREHOLDERS' FUNDS	22	<u>4,570,737</u>	<u>3,886,108</u>

These accounts were approved by the directors and authorised for issue on 12 / 4 / 16 and are signed on their behalf by:



WS Mills

The notes on pages 14 to 25 form part of these financial statements.


HIGHFIELD SCHOOL (LIPHOOK) LIMITED

BALANCE SHEET

31 AUGUST 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	11	7,095,322	6,437,433
CURRENT ASSETS			
Stocks	12	77,341	62,370
Debtors	13	1,617,973	1,545,285
Investments	14	100	100
Cash in hand		1,941	2,206
		<u>1,697,355</u>	<u>1,609,961</u>
CREDITORS: Amounts falling due within one year	15	<u>(2,968,012)</u>	<u>(2,855,859)</u>
NET CURRENT LIABILITIES		<u>(1,270,657)</u>	<u>(1,245,898)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,824,665</u>	<u>5,191,535</u>
CREDITORS: Amounts falling due after more than one year	16	(715,110)	(872,790)
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	(195,173)	(162,927)
		<u>4,914,382</u>	<u>4,155,818</u>
CAPITAL AND RESERVES			
Called up equity share capital	20	6,500	6,500
Profit and loss account	21	4,907,882	4,149,318
SHAREHOLDERS' FUNDS		<u>4,914,382</u>	<u>4,155,818</u>

These accounts were approved by the directors and authorised for issue on 12/4/16 and are signed on their behalf by:


WS Mills

Company Registration Number: 1220993

The notes on pages 14 to 25 form part of these financial statements.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

GROUP CASH FLOW

YEAR ENDED 31 AUGUST 2015

	2015	2014
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,205,956	1,043,487
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	–	42
Interest paid	<u>(13,433)</u>	<u>(25,986)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(13,433)	(25,944)
TAXATION	(78,901)	(51,425)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(942,310)	(502,926)
Receipts from sale of fixed assets	<u>1,500</u>	<u>–</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(940,810)	(502,926)
CASH INFLOW BEFORE FINANCING	172,812	463,192
FINANCING		
Repayment of bank loans	(233,333)	(233,333)
Net inflow/(outflow) from other long-term creditors	<u>56,209</u>	<u>(252,575)</u>
NET CASH OUTFLOW FROM FINANCING	(177,124)	(485,908)
DECREASE IN CASH	<u>(4,312)</u>	<u>(22,716)</u>

The notes on pages 14 to 25 form part of these financial statements.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

GROUP CASH FLOW

YEAR ENDED 31 AUGUST 2015

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	908,597	634,388
Depreciation	336,350	296,287
Increase in stocks	(14,971)	(6,696)
(Increase)/decrease in debtors	(37,430)	66,927
Increase in creditors	13,410	52,581
Net cash inflow from operating activities	<u>1,205,956</u>	<u>1,043,487</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015 £	2014 £
Decrease in cash in the period	(4,312)	(22,716)
Net cash outflow from bank loans	233,333	233,333
Net cash (inflow) from/outflow from other long-term creditors	<u>(56,209)</u>	<u>252,575</u>
	172,812	463,192
Change in net debt	172,812	463,192
Net debt at 1 September 2014	(1,961,917)	(2,425,109)
Net debt at 31 August 2015	<u>(1,789,105)</u>	<u>(1,961,917)</u>

The notes on pages 14 to 25 form part of these financial statements.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

GROUP CASH FLOW

YEAR ENDED 31 AUGUST 2015

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2014 £	Cash flows £	At 31 Aug 2015 £
Net cash:			
Cash in hand and at bank	2,206	(265)	1,941
Overdrafts	<u>(858,000)</u>	<u>(4,047)</u>	<u>(862,047)</u>
	<u>(855,794)</u>	<u>(4,312)</u>	<u>(860,106)</u>
Debt:			
Debt due within 1 year	<u>(233,333)</u>	<u>19,444</u>	<u>(213,889)</u>
Debt due after 1 year	<u>(872,790)</u>	<u>157,680</u>	<u>(715,110)</u>
	<u>(1,106,123)</u>	<u>177,124</u>	<u>(928,999)</u>
Net debt	<u>(1,961,917)</u>	<u>172,812</u>	<u>(1,789,105)</u>

The notes on pages 14 to 25 form part of these financial statements.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

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

Fees received in respect of future school terms are deferred and included in creditors. Deposits are included in creditors until they are due to be returned.

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 & 5% Reducing balance
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.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The group 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:

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 liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

2. GOING CONCERN

At the year end the group has net current liabilities of £2,514,273 (2014: £2,475,559). The directors have a reasonable expectation that the group 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. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>7,847,158</u>	<u>7,040,288</u>

4. OTHER OPERATING INCOME

	2015 £	2014 £
Rent receivable	60,178	46,525
Management charges receivable	5,881	4,915
Other operating income	<u>13,622</u>	<u>8,860</u>
	<u>79,681</u>	<u>60,300</u>

5. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of owned fixed assets	336,350	296,287
Auditor's remuneration - audit of the financial statements	19,963	22,436
Auditor's remuneration - other fees	<u>-</u>	<u>2,100</u>

	2015 £	2014 £
Auditor's remuneration - audit of the financial statements	<u>19,963</u>	<u>22,436</u>

Auditor's remuneration - other fees:

- Taxation services	<u>-</u>	<u>2,100</u>
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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

6. PARTICULARS OF EMPLOYEES

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

	2015	2014
	No	No
Production staff	1	–
Distribution staff	7	6
Administrative staff	14	12
Management staff	2	2
Other staff - definable	46	43
Other staff - definable	47	45
Other staff - definable	28	9
Other staff - definable	3	3
Other staff - definable	21	20
Other staff - definable	14	11
	<u>183</u>	<u>151</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	3,402,551	3,165,999
Social security costs	265,051	247,306
Other pension costs	349,747	294,020
	<u>4,017,349</u>	<u>3,707,325</u>

7. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Remuneration receivable	197,896	179,401
Value of company pension contributions to money purchase schemes	25,239	23,620
	<u>223,135</u>	<u>203,021</u>

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

	2015	2014
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on bank borrowing	12,707	25,382
Other similar charges payable	726	604
	<u>13,433</u>	<u>25,986</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.58% (2014 - 22.17%)	156,479	67,782
(Over)/under provision in prior year	11,119	-
Total current tax	<u>167,598</u>	<u>67,782</u>
Deferred tax:		
Origination and reversal of timing differences	42,937	86,257
Tax on profit on ordinary activities	<u>210,535</u>	<u>154,039</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.58% (2014 - 22.17%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>895,164</u>	<u>608,444</u>
Profit on ordinary activities by rate of tax	184,224	134,892
Expenses not deductible for tax purposes	2,230	7,966
Capital allowances for period in excess of depreciation	(27,556)	(27,728)
Utilisation of tax losses	-	(57,409)
Tax chargeable at lower rates	-	(1,024)
Adjustments to tax charge in respect of previous periods	11,120	-
Sundry tax adjusting items	(2,420)	11,085
Total current tax (note 9(a))	<u>167,598</u>	<u>67,782</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £758,564 (2014 - £574,385).

11. TANGIBLE ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming pool £	Other assets £	Total £
COST						
At 1 Sep 2014	5,961,831	1,171,119	806,628	1,503,499	519,212	9,962,289
Additions	725,749	—	104,878	—	111,683	942,310
Disposals	—	—	—	—	(1,500)	(1,500)
At 31 Aug 2015	6,687,580	1,171,119	911,506	1,503,499	629,395	10,903,099
DEPRECIATION						
At 1 Sep 2014	1,062,044	149,919	580,231	256,747	424,426	2,473,367
Charge for the year	126,090	53,341	76,788	32,238	47,893	336,350
At 31 Aug 2015	1,188,134	203,260	657,019	288,985	472,319	2,809,717
NET BOOK VALUE						
At 31 Aug 2015	5,499,446	967,859	254,487	1,214,514	157,076	8,093,382
At 31 Aug 2014	4,899,787	1,021,200	226,397	1,246,752	94,786	7,488,922

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

11. TANGIBLE ASSETS *(continued)*

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming pool £	Other assets £	Total £
COST						
At 1 Sep 2014	5,961,831	85,049	806,628	1,503,499	441,762	8,798,769
Additions	725,749	—	104,878	—	111,683	942,310
Disposals	—	—	—	—	(1,500)	(1,500)
At 31 Aug 2015	6,687,580	85,049	911,506	1,503,499	551,945	9,739,579
DEPRECIATION						
At 1 Sep 2014	1,062,044	45,633	580,231	256,747	416,681	2,361,336
Charge for the year	126,090	4,252	76,788	30,528	45,263	282,921
At 31 Aug 2015	1,188,134	49,885	657,019	287,275	461,944	2,644,257
NET BOOK VALUE						
At 31 Aug 2015	5,499,446	35,164	254,487	1,216,224	90,001	7,095,322
At 31 Aug 2014	4,899,787	39,416	226,397	1,246,752	25,081	6,437,433

12. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Finished goods	<u>77,341</u>	<u>62,370</u>	<u>77,341</u>	<u>62,370</u>

13. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	9,262	37,589	8,446	33,977
Amounts owed by group undertakings	—	—	1,261,129	1,227,323
VAT recoverable	3,417	5,988	—	—
Other debtors	2,575	15	2,575	15
Prepayments and accrued income	<u>354,350</u>	<u>288,582</u>	<u>345,823</u>	<u>283,970</u>
	<u>369,604</u>	<u>332,174</u>	<u>1,617,973</u>	<u>1,545,285</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

13. DEBTORS *(continued)*

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed by group undertakings	<u>—</u>	<u>—</u>	<u>1,261,129</u>	<u>1,227,323</u>

14. INVESTMENTS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Shares in group undertakings	<u>—</u>	<u>—</u>	<u>100</u>	<u>100</u>

The company owns 100% of the issued share capital of Brookham Energy Limited, a company incorporated in the United Kingdom. The principal activity of Brookham Energy Limited is the production of energy.

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	1,075,936	1,091,333	1,108,946	1,099,567
Trade creditors	407,880	308,726	387,919	288,868
Other creditors including taxation and social security:				
Corporation tax	156,479	67,782	156,479	67,782
Other taxation and social security	80,239	72,089	80,239	72,089
Other creditors	434,133	692,993	434,133	692,993
Accruals and deferred income	804,352	639,386	800,296	634,560
	<u>2,959,019</u>	<u>2,872,309</u>	<u>2,968,012</u>	<u>2,855,859</u>

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	<u>1,108,946</u>	<u>1,091,333</u>	<u>1,108,946</u>	<u>1,099,567</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	–	213,889	–	213,889
Other creditors	<u>715,110</u>	<u>658,901</u>	<u>715,110</u>	<u>658,901</u>
	<u>715,110</u>	<u>872,790</u>	<u>715,110</u>	<u>872,790</u>

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	<u>–</u>	<u>213,889</u>	<u>–</u>	<u>213,889</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 25 November 2011, HSBC Bank Plc also issued a debenture over all present freehold and leasehold property as follows: First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; And First Floating Charge over all assets and undertaking both present and future.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other creditors including taxation and social security	<u>67,800</u>	<u>45,400</u>	<u>67,800</u>	<u>45,400</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

17. 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 School's contributions to the Teachers Pension Scheme in the year were £255,489 (2014: £255,753).

On 4 July 2012, the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme - Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2015 to 31 August 2015 are continuing at 14.1% with employee rates varying between 7.4% and 11.7%.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. It has been agreed that these revised contributions will be implemented from 1 September 2015.

The school also runs schemes for its non-teaching staff, which are defined contribution schemes. The School's contributions in the year were £94,258 (2014: £30,687).

The total outstanding contributions at the year end were £45,815 (2014: £40,750). Of this, £35,148 (2014: £35,104) relates to the Teachers Pension Scheme.

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Provision brought forward	254,465	168,208	162,927	111,413
Increase in provision	42,937	86,257	32,246	51,514
Provision carried forward	<u>297,402</u>	<u>254,465</u>	<u>195,173</u>	<u>162,927</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

18. DEFERRED TAXATION *(continued)*

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>297,402</u>	<u>-</u>	<u>254,465</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>195,173</u>	<u>-</u>	<u>162,927</u>	<u>-</u>

19. RELATED PARTY TRANSACTIONS

W S Mills, a director of the company, had children being educated at the school during the year.

At the balance sheet date the group owed £113,525 (2014 - £134,276) to S Mills, mother of W S Mills.

During the year the group paid loan interest of £726 (2014 - £604) on the balance of the loan due to S Mills.

The company has taken advantage of the exemption available under FRS8 not to disclose transactions and balances with 100% owned subsidiary companies.

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>

HIGHFIELD SCHOOL (LIPHOOK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

21. RESERVES

Group	Profit and loss account £
Balance brought forward	3,879,608
Profit for the year	<u>684,629</u>
Balance carried forward	<u><u>4,564,237</u></u>
Company	Profit and loss account £
Balance brought forward	4,149,318
Profit for the year	<u>758,564</u>
Balance carried forward	<u><u>4,907,882</u></u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	684,629	454,405
Opening shareholders' funds	<u>3,886,108</u>	<u>3,431,703</u>
Closing shareholders' funds	<u><u>4,570,737</u></u>	<u><u>3,886,108</u></u>