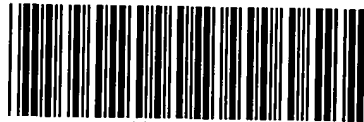


COMPANY REGISTRATION NUMBER 1220993

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2014**

FRIDAY



\*A45HPIKG\*

A16

17/04/2015

#337

COMPANIES HOUSE

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2014**

<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>4</b>
Independent auditor's report to the shareholders	<b>6</b>
Profit and loss account	<b>8</b>
Group balance sheet	<b>9</b>
Balance sheet	<b>10</b>
Group cash flow	<b>11</b>
Notes to the financial statements	<b>12</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>27</b>
Notes to the detailed profit and loss account	<b>28</b>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

PGS Evitt  
DE Gardiner  
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 2014**

The directors present their report for the year ended 31 August 2014.

### **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 it's 175 acre site.

The school ended the 2013/2014 year with 477 pupils: 207 at Brookham School (a decrease of 9 pupils) and 270 at Highfield School (an increase of 13). Boarding numbers have decreased this year to 102 pupils at the year end in comparison to 112 the previous year.

### **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 for the start of the Autumn term 2014/2015 Highfield were 279 with 88 boarding, Brookham 203. Current confirmed numbers for the Autumn Term 2015/2016 Highfield 295 78-88 potential boarding, Brookham currently 179 confirmed, although optimistic these numbers will increase to at least the same level of 2014/2015.

The group has invested in more plant and machinery and a new office to improve the Grounds and Maintenance facilities. Major refurbishment work is scheduled around the site for 2014/2015 including boarding areas, front of school and improvements to some classrooms, to ensure the school can cater for a large Year 4 in 2015/2016. An international summer school is being arranged for 2014/2015, to be held during July.

### **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.

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 it's 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.

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## STRATEGIC REPORT YEAR ENDED 31 AUGUST 2014

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 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 8/4/15

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 AUGUST 2014**

The directors present their report and the financial statements of the group for the year ended 31 August 2014.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £454,405. The directors have not recommended a dividend.

#### **DIRECTORS**

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

PGS Evitt  
DE Gardiner  
JA Herring  
J Leigh  
WS Mills  
JW Wardrobe

#### **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 2014

### AUDITOR

Shipleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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 8/4/15

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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

**YEAR ENDED 31 AUGUST 2014**

We have audited the group and parent company financial statements ("the financial statements") of Highfield School (Liphook) Limited for the year ended 31 August 2014 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 2014 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 2014

### 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.



S J 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

8/4/15

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
<b>GROUP TURNOVER</b>	<b>3</b>	<b>7,040,288</b>	6,528,529
Cost of sales		<u>3,575,172</u>	<u>3,415,679</u>
<b>GROSS PROFIT</b>		<b>3,465,116</b>	3,112,850
Administrative expenses		2,891,028	2,789,704
Other operating income	4	<u>(60,300)</u>	<u>(55,567)</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>634,388</b>	378,713
Interest receivable		42	—
Interest payable and similar charges	8	<u>(25,986)</u>	<u>(24,883)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>608,444</b>	353,830
Tax on profit on ordinary activities	9	<u>154,039</u>	<u>80,147</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>10</b>	<b><u>454,405</u></b>	<b><u>273,683</u></b>

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 12 to 25 form part of these financial statements.

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## GROUP BALANCE SHEET

31 AUGUST 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	11	<u>7,488,922</u>	<u>7,282,283</u>
<b>CURRENT ASSETS</b>			
Stocks	12	62,370	55,674
Debtors	13	332,174	399,101
Cash in hand		<u>2,206</u>	<u>155</u>
		<u>396,750</u>	<u>454,930</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>2,872,309</u>	<u>2,778,604</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,475,559)</u>	<u>(2,323,674)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,013,363</u>	<u>4,958,609</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>872,790</u>	<u>1,358,698</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	17	<u>254,465</u>	<u>168,208</u>
		<u><u>3,886,108</u></u>	<u><u>3,431,703</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	6,500	6,500
Profit and loss account	20	<u>3,879,608</u>	<u>3,425,203</u>
<b>SHAREHOLDERS' FUNDS</b>	21	<u><u>3,886,108</u></u>	<u><u>3,431,703</u></u>

These accounts were approved by the directors and authorised for issue on 8/4/15,  
and are signed on their behalf by:

  
WS Mills

The notes on pages 12 to 25 form part of these financial statements.

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## BALANCE SHEET

31 AUGUST 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	11	<u>6,437,433</u>	<u>6,274,161</u>
<b>CURRENT ASSETS</b>			
Stocks	12	62,370	55,674
Debtors	13	1,545,285	1,515,379
Investments	22	100	100
Cash in hand		<u>2,206</u>	<u>155</u>
		<u>1,609,961</u>	<u>1,571,308</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>2,855,859</u>	<u>2,793,925</u>
<b>NET CURRENT LIABILITIES</b>		<b>(1,245,898)</b>	<b>(1,222,617)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,191,535</b>	<b>5,051,544</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<b>872,790</b>	<b>1,358,698</b>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	17	<u>162,927</u>	<u>111,413</u>
		<u><b>4,155,818</b></u>	<u><b>3,581,433</b></u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	6,500	6,500
Profit and loss account	20	<u>4,149,318</u>	<u>3,574,933</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>4,155,818</b></u>	<u><b>3,581,433</b></u>

These accounts were approved by the directors and authorised for issue on 8/4/15,  
and are signed on their behalf by:



WS Mills

Company Registration Number: 1220993

The notes on pages 12 to 25 form part of these financial statements.

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## GROUP CASH FLOW

YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	1,043,487	1,188,454
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	(25,944)	(24,883)
TAXATION	23	(51,425)	(145,815)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23	(502,926)	(1,516,535)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>463,192</u>	<u>(498,779)</u>
FINANCING	23	(485,908)	518,304
(DECREASE)/INCREASE IN CASH	23	<u>(22,716)</u>	<u>19,525</u>

The notes on pages 12 to 25 form part of these financial statements.

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2014**

### **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, exclusive of Value Added Tax.

#### **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 2014

### 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 2014

### 2. GOING CONCERN

At the year end the group has net current liabilities of £2,475,559 (2013: £2,323,674). 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:

	2014 £	2013 £
United Kingdom	<u>7,040,288</u>	<u>6,528,529</u>

### 4. OTHER OPERATING INCOME

	2014 £	2013 £
Rent receivable	46,525	48,547
Management charges receivable	4,915	1,170
Other operating income	8,860	5,850
	<u>60,300</u>	<u>55,567</u>

### 5. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £	2013 £
Depreciation of owned fixed assets	296,287	268,147
Auditor's remuneration - audit of the financial statements	22,436	11,000
Auditor's remuneration - other fees	2,100	7,972

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>22,436</u>	<u>11,000</u>

Auditor's remuneration - other fees:

- Taxation services	2,100	2,021
- Accountancy	-	5,951
	<u>2,100</u>	<u>7,972</u>



# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 6. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of distribution staff	6	4
Number of administrative staff	12	11
Number of management staff	2	3
Number of other staff - definable	43	41
Number of other staff - definable	45	35
Number of other staff - definable	9	7
Number of other staff - definable	3	3
Number of other staff - definable	20	9
Number of other staff - definable	11	2
	<u>151</u>	<u>115</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,750,283	2,668,088
Social security costs	214,927	211,940
Other pension costs	280,006	264,102
	<u>3,245,216</u>	<u>3,144,130</u>

### 7. DIRECTORS' REMUNERATION

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

	2014	2013
	£	£
Remuneration receivable	179,401	171,316
Value of company pension contributions to money purchase schemes	23,620	22,842
	<u>203,021</u>	<u>194,158</u>

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

	2014	2013
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable on bank borrowing	25,382	23,940
Other similar charges payable	604	943
	<u>25,986</u>	<u>24,883</u>

### 9. TAXATION ON ORDINARY ACTIVITIES

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

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22.17% (2013 - 22.50%)	67,782	51,425
Total current tax	67,782	51,425
Deferred tax:		
Origination and reversal of timing differences	86,257	28,722
Tax on profit on ordinary activities	<u>154,039</u>	<u>80,147</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 22.17% (2013 - 22.50%).

	2014 £	2013 £
Profit on ordinary activities before taxation	608,444	353,830
Profit on ordinary activities by rate of tax	134,892	79,612
Expenses not deductible for tax purposes	7,966	35,076
Capital allowances for period in excess of depreciation	(27,728)	-
Utilisation of tax losses	(57,409)	(63,895)
Tax chargeable at lower rates	(1,024)	-
Sundry tax adjusting items	11,085	632
Total current tax (note 9(a))	<u>67,782</u>	<u>51,425</u>

### 10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £574,385 (2013 - £423,413).

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 11. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming pool £	Other Assets £	Total £
<b>COST</b>						
At 1 Sep 2013	5,670,040	1,084,704	723,709	1,503,499	477,411	9,459,363
Additions	291,791	86,415	82,919	–	41,801	502,926
<b>At 31 Aug 2014</b>	<b>5,961,831</b>	<b>1,171,119</b>	<b>806,628</b>	<b>1,503,499</b>	<b>519,212</b>	<b>9,962,289</b>
<b>DEPRECIATION</b>						
At 1 Sep 2013	938,380	91,364	521,477	225,048	400,811	2,177,080
Charge for the year	123,664	58,555	58,754	31,699	23,615	296,287
<b>At 31 Aug 2014</b>	<b>1,062,044</b>	<b>149,919</b>	<b>580,231</b>	<b>256,747</b>	<b>424,426</b>	<b>2,473,367</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2014</b>	<b>4,899,787</b>	<b>1,021,200</b>	<b>226,397</b>	<b>1,246,752</b>	<b>94,786</b>	<b>7,488,922</b>
At 31 Aug 2013	4,731,660	993,340	202,232	1,278,451	76,600	7,282,283

#### Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	–	81,234

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Swimming pool £	Other Assets £	Total £
<b>COST</b>						
At 1 Sep 2013	5,670,040	85,049	723,709	1,503,499	418,961	8,401,258
Additions	291,791	–	82,919	–	22,801	397,511
<b>At 31 Aug 2014</b>	<b>5,961,831</b>	<b>85,049</b>	<b>806,628</b>	<b>1,503,499</b>	<b>441,762</b>	<b>8,798,769</b>
<b>DEPRECIATION</b>						
At 1 Sep 2013	938,380	41,381	521,477	225,048	400,811	2,127,097
Charge for the year	123,664	4,252	58,754	31,699	15,870	234,239
<b>At 31 Aug 2014</b>	<b>1,062,044</b>	<b>45,633</b>	<b>580,231</b>	<b>256,747</b>	<b>416,681</b>	<b>2,361,336</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2014</b>	<b>4,899,787</b>	<b>39,416</b>	<b>226,397</b>	<b>1,246,752</b>	<b>25,081</b>	<b>6,437,433</b>
At 31 Aug 2013	4,731,660	43,668	202,232	1,278,451	18,150	6,274,161

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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

#### Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	-	81,234

### 12. STOCKS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Finished goods	<u>62,370</u>	<u>55,674</u>	<u>62,370</u>	<u>55,674</u>

### 13. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	37,589	85,079	33,977	78,898
Amounts owed by group undertakings	-	-	1,227,323	1,123,805
VAT recoverable	5,988	-	-	-
Other debtors	15	-	15	-
Prepayments and accrued income	<u>288,582</u>	<u>314,022</u>	<u>283,970</u>	<u>312,676</u>
	<u>332,174</u>	<u>399,101</u>	<u>1,545,285</u>	<u>1,515,379</u>

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

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts owed by group undertakings	<u>1,227,323</u>	<u>-</u>	<u>1,227,323</u>	<u>1,123,805</u>

### 22. INVESTMENTS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Shares in group undertakings	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	1,091,333	1,066,566	1,099,567	1,086,788
Trade creditors	308,726	308,402	288,868	305,582
Other creditors including taxation and social security:				
Corporation tax	67,782	51,425	67,782	51,425
Other taxation and social security	72,089	69,392	72,089	68,811
Other creditors	692,993	553,142	692,993	553,142
Accruals and deferred income	639,386	729,677	634,560	728,177
	<u>2,872,309</u>	<u>2,778,604</u>	<u>2,855,859</u>	<u>2,793,925</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	<u>1,091,333</u>	<u>1,086,788</u>	<u>1,099,567</u>	<u>1,086,788</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	213,889	447,222	213,889	447,222
Other creditors	658,901	911,476	658,901	911,476
	<u>872,790</u>	<u>1,358,698</u>	<u>872,790</u>	<u>1,358,698</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 15. 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:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	<u>213,889</u>	<u>447,222</u>	<u>213,889</u>	<u>447,222</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.

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. 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	
	2014	2013	2014	2013
	£	£	£	£
Other creditors including taxation and social security	<u>45,400</u>	<u>—</u>	<u>45,400</u>	<u>—</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 16. 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 £255,753 (2013: £229,809).

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will 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 contributions rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2014 are continuing at 14.1% with employee rates varying between 6.4% and 12.4%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions. In light of new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspending TPS actuarial review or the cap and share processes.

Following the Teacher's Pension Scheme valuation to 31 March 2012, the total contribution rate is expected to increase to 26%. The TPS Agreement set an average employee contribution of 9.6% with the balance falling on employers. The new scheme employer contribution rate is, therefore, expected to be 16.4% which will be payable from 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 £30,687 (2013: £24,819).

The total outstanding contributions at the year end were £40,750 (2013: £35,282). Of this, £35,104 (2013: £31,117) relates to the Teachers Pension Scheme.

### 17. DEFERRED TAXATION

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision brought forward	168,208	139,486	111,413	139,486
Increase/(Decrease) in provision	86,257	28,722	51,514	(28,073)
Provision carried forward	<u>254,465</u>	<u>168,208</u>	<u>162,927</u>	<u>111,413</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

### 17. DEFERRED TAXATION *(continued)*

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

Group	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>254,465</u>	<u>-</u>	<u>168,208</u>	<u>-</u>

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

Company	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>162,927</u>	<u>-</u>	<u>111,413</u>	<u>-</u>

### 18. 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 £154,657 (2012 - £175,941) to S Mills, mother of W S Mills.

During the year the group paid loan interest of £943 (2012 - £959) 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.

### 19. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	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 2014

### 20. RESERVES

Group	Profit and loss account £
Balance brought forward	3,425,203
Profit for the year	<u>454,405</u>
Balance carried forward	<u><u>3,879,608</u></u>
 Company	 Profit and loss account £
Balance brought forward	3,574,933
Profit for the year	<u>574,385</u>
Balance carried forward	<u><u>4,149,318</u></u>

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

	2014 £	2013 £
Profit for the financial year	454,405	273,683
Opening shareholders' funds	<u>3,431,703</u>	<u>3,158,020</u>
Closing shareholders' funds	<u><u>3,886,108</u></u>	<u><u>3,431,703</u></u>

### 23. NOTES TO THE CASH FLOW STATEMENT

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

	2014 £	2013 £
Operating profit	634,388	378,713
Depreciation	296,287	268,147
(Increase)/decrease in stocks	(6,696)	537
Decrease in debtors	66,927	49,581
Increase in creditors	<u>52,581</u>	<u>491,476</u>
Net cash inflow from operating activities	<u><u>1,043,487</u></u>	<u><u>1,188,454</u></u>

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	42	—
Interest paid	<u>(25,986)</u>	<u>(24,883)</u>
Net cash outflow from returns on investments and servicing of finance	<u><u>(25,944)</u></u>	<u><u>(24,883)</u></u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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

#### TAXATION

	2014 £	2013 £
Taxation	<u>(51,425)</u>	<u>(145,815)</u>

#### CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £	2013 £
Payments to acquire tangible fixed assets	(502,926)	(1,516,635)
Acquisition of current asset investments in group undertakings	<u>—</u>	<u>100</u>
Net cash outflow for capital expenditure and financial investment	<u>(502,926)</u>	<u>(1,516,535)</u>

#### FINANCING

	2014 £	2013 £
(Repayment of)/increase in bank loans	(233,333)	250,555
Net (outflow)/inflow from other long-term creditors	<u>(252,575)</u>	<u>267,749</u>
Net cash (outflow)/inflow from financing	<u>(485,908)</u>	<u>518,304</u>

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

	2014 £	2013 £
(Decrease)/increase in cash in the period	(22,716)	19,525
Net cash outflow from/(inflow) from bank loans	233,333	(250,555)
Net cash outflow from/(inflow) from other long-term creditors	<u>252,575</u>	<u>(267,749)</u>
	<u>463,192</u>	<u>(498,779)</u>
Change in net debt	463,192	(498,779)
Net debt at 1 September 2013	(2,425,109)	(1,926,330)
Net debt at 31 August 2014	<u>(1,961,917)</u>	<u>(2,425,109)</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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

#### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2013 £	Cash flows £	At 31 Aug 2014 £
Net cash:			
Cash in hand and at bank	155	2,051	2,206
Overdrafts	(833,233)	(24,767)	(858,000)
	<u>(833,078)</u>	<u>(22,716)</u>	<u>(855,794)</u>
Debt:			
Debt due within 1 year	(233,333)	–	(233,333)
Debt due after 1 year	(1,358,698)	485,908	(872,790)
	<u>(1,592,031)</u>	<u>485,908</u>	<u>(1,106,123)</u>
Net debt	<u>(2,425,109)</u>	<u>463,192</u>	<u>(1,961,917)</u>