

Registered number: 1220993

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Phillip Evitt David Harper John Herring Jonathan Leigh William Mills
<b>Company secretary</b>	M Harris
<b>Registered number</b>	1220993
<b>Registered office</b>	Highfield School Highfield Lane Liphook Hampshire GU30 7LQ
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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#### Introduction

The directors present their report for the year ended 31 August 2019.

#### 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 includes a company which produces energy to supply to the school. Brookham School is the Nursery and pre-preparatory, 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 2018/19 year with 468 pupils: 174 at Brookham School (an increase of 21 pupils on the prior year) and 294 at Highfield School (an increase of 6 on the prior year). Boarding numbers have increased throughout the course of the year to 125 at the year end in comparison to 123 in the previous year.

An international Summer School was held for a 5th year in July 2019 which 33 students attended and 2020 enrolments are currently at 15.

Overall revenue generation for 2018/19, including other operating income, was £9.2m, an increase of £448k (5.1%) compared to 2017/18 and £252k in excess of the planned budget, partly to discounts being lower at 5.5% and increased pupil numbers in comparison to the Budget of 448.

Direct costs and overheads in the year of £8.4m saving £83k on budget in areas of catering, summer school due to lower numbers and depreciation as the all weather pitch did not go ahead as planned in the year. Major refurbishments include:

Brookham Decoration	£27,535
Theatre & Design Technology	£18,581
Windows	£16,242
Dormitories	£125,923
Junior Boarding House	£26,677

Overall profit before tax for the year of £792k (8.6% return on revenue) was £540k more than 2017/18 when the return was 2.9%. The variance is due largely from increase in fees and pupil numbers along with lower discounts.

The loan facility repayments continued and will cease January 2020. A further loan of £0.8m has been arranged for drawdown in November 2019 to ensure sufficient cash flow for the construction of the all weather pitch.

#### Financial key performance indicators

The main contributing factor that demonstrates the success of the school is the pupil numbers. School fees generated 88% of the total revenue. The pupil statistics, as outline above, give an immediate snapshot of the school's position in comparison to previous years and budgets.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Future developments

There has been a slight decline at the start of 2019/20 in our pupil numbers. Highfield numbers have dropped slightly to 283, with 121 boarders including part time boarders. Although as in previous years we expect this figure to increase over the course of the Academic year. Brookham's numbers are significantly lower 140 with the decline being in Nursery, Reception and Year 1.

The group investment in the school continues with extensive repairs and maintenance programmes planned for the school and grounds.

#### Principal risks and uncertainties

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

One of the impacts of Brexit is that we have struggled to recruit in areas such as Catering. A large proportion of Catering and Cleaning staff tend to be European. However, with the uncertainty around Brexit and future status., there seems to be fewer candidates available. With regards to pupil numbers, we should see little impact as a result of Brexit as our International students represent only 5-6% of our student body.

The Directors monitor political changes which may affect the future of independent schools. Risks include a change in government which may have significant negative financial consequences.

#### Financial risk management objectives and policies

The group's instruments comprise cash and liquid resources and various items such as trade debtors and trade creditors 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 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 cash flow 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 cash flow is also dependent on fees being in advance and if the current economic climate causes a reduction in fees being paid in advance this will impact on the group's cash flow. The group 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.

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019

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This report was approved by the board on 23/1/20 and signed on its behalf.



**William Mills**  
Director

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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The directors present their report and the financial statements for the year ended 31 August 2019.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £609,476 (2018 - £177,558).

#### **Directors**

The directors who served during the year were:

Phillip Evitt  
David Harper  
John Herring  
Jonathan Leigh  
William Mills

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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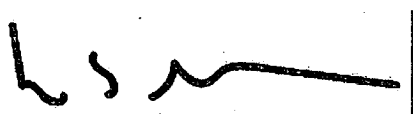
#### Post balance sheet events

Highfield school has removed itself from the Teacher's Pension Scheme on the 01/9/2019. It has entered the Aviva Master's Trust Pension scheme.

This report was approved by the board on  
signed on its behalf.

23/1/20

and



**William Mills**  
Director



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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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#### Opinion

We have audited the financial statements of Highfield School (Liphook) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2019 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED (CONTINUED)

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### Use of our report

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



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

10 Queen Street Place  
London  
EC4R 1AG

Date:

4/2/20

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2019

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	Note	2019 £	2018 £
Turnover	4	9,046,404	8,607,475
Cost of sales		(4,376,818)	(4,226,778)
<b>Gross profit</b>		<b>4,669,586</b>	<b>4,380,697</b>
Administrative expenses		(3,978,498)	(4,215,893)
Other operating income	5	116,126	107,392
<b>Operating profit</b>	6	<b>807,214</b>	<b>272,196</b>
Interest payable and expenses	10	(14,758)	(20,148)
<b>Profit before tax</b>		<b>792,456</b>	<b>252,048</b>
Tax on profit	11	(182,980)	(74,490)
<b>Profit for the financial year</b>		<b>609,476</b>	<b>177,558</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 15 to 35 form part of these financial statements.

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	9,217,924	9,061,771
		<u>9,217,924</u>	<u>9,061,771</u>
<b>Current assets</b>			
Stocks	14	77,414	80,150
Debtors: amounts falling due within one year	15	471,930	549,681
Cash at bank and in hand	16	47,535	51,057
		<u>596,879</u>	<u>680,888</u>
Creditors: amounts falling due within one year	17	(2,610,365)	(3,168,317)
<b>Net current liabilities</b>		<u>(2,013,486)</u>	<u>(2,487,429)</u>
<b>Total assets less current liabilities</b>		<u>7,204,438</u>	<u>6,574,342</u>
Creditors: amounts falling due after more than one year	18	(493,997)	(473,377)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(294,103)	(294,103)
		<u>(294,103)</u>	<u>(294,103)</u>
<b>Net assets</b>		<u>6,416,338</u>	<u>5,806,862</u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit And Loss Account	22	6,409,838	5,800,362
		<u>6,416,338</u>	<u>5,806,862</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 23/11/20  
**William Mills**  
Director

The notes on pages 15 to 35 form part of these financial statements.

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**  
**REGISTERED NUMBER: 1220993**

**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	8,411,816	8,196,614
Investments		100	100
		<u>8,411,916</u>	<u>8,196,714</u>
<b>Current assets</b>			
Stocks	14	77,414	80,149
Debtors: amounts falling due within one year	15	461,062	1,969,025
Cash at bank and in hand	16	1,983	1,634
		<u>540,459</u>	<u>2,050,808</u>
Creditors: amounts falling due within one year	17	(2,599,715)	(3,122,609)
<b>Net current liabilities</b>		<u>(2,059,256)</u>	<u>(1,071,801)</u>
<b>Total assets less current liabilities</b>		<u>6,352,660</u>	<u>7,124,913</u>
Creditors: amounts falling due after more than one year	18	(493,997)	(473,377)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(199,687)	(199,687)
		<u>(199,687)</u>	<u>(199,687)</u>
<b>Net assets</b>		<u>5,658,976</u>	<u>6,451,849</u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit and loss account carried forward		5,652,476	6,445,349
		<u>5,658,976</u>	<u>6,451,849</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 23/1/20  
**William Mills**  
 Director

The notes on pages 15 to 35 form part of these financial statements.

The loss after tax of the parent company for the year was £792,873. (2018 - profit of £292,831)

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2019

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2017</b>	6,500	5,622,804	5,629,304
<b>Comprehensive income for the year</b>			
Profit for the year	-	177,558	177,558
<b>Total comprehensive income for the year</b>	-	177,558	177,558
<b>At 1 September 2018</b>	6,500	5,800,362	5,806,862
<b>Comprehensive income for the year</b>			
Profit for the year	-	609,476	609,476
<b>Total comprehensive income for the year</b>	-	609,476	609,476
<b>At 31 August 2019</b>	6,500	6,409,838	6,416,338

The notes on pages 15 to 35 form part of these financial statements.

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2017</b>	6,500	6,152,518	6,159,018
Profit for the year	-	292,831	292,831
<b>At 1 September 2018</b>	6,500	6,445,349	6,451,849
<b>Comprehensive income for the year</b>			
Loss for the year	-	(792,873)	(792,873)
<b>Total comprehensive income for the year</b>	-	(792,873)	(792,873)
<b>At 31 August 2019</b>	6,500	5,652,476	5,658,976

The notes on pages 15 to 35 form part of these financial statements.



**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	609,476	177,558
<b>Adjustments for:</b>		
Depreciation of tangible assets	376,368	372,241
Interest paid	14,758	20,148
Taxation charge	182,980	74,490
Decrease in stocks	2,734	3,620
Decrease in debtors	77,750	46,282
(Decrease)/increase in creditors	(187,871)	153,361
Corporation tax (paid)	(74,490)	(141,045)
<b>Net cash generated from operating activities</b>	<u>1,001,705</u>	<u>706,655</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(532,537)	(189,473)
<b>Net cash from investing activities</b>	<u>(532,537)</u>	<u>(189,473)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(344,006)	(483,991)
Other new loans	358,445	-
Interest paid	(14,758)	(20,148)
<b>Net cash used in financing activities</b>	<u>(319)</u>	<u>(504,139)</u>
<b>Net increase in cash and cash equivalents</b>	<u>468,849</u>	<u>13,043</u>
Cash and cash equivalents at beginning of year	(523,456)	(536,499)
<b>Cash and cash equivalents at the end of year</b>	<u><u>(54,607)</u></u>	<u><u>(523,456)</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	47,535	51,057
Bank overdrafts	(102,142)	(574,513)
	<u><u>(54,607)</u></u>	<u><u>(523,456)</u></u>

The notes on pages 15 to 35 form part of these financial statements.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. General information

Highfield School (Liphook) Limited is a private company limited by shares and incorporated in England under registration number 1220993. Its registered office is Highfield School, Highfield Land, Liphook, Hampshire, GU30 7LQ. The principal activities of the group are set out on page 2.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

At the year end the group has net current liabilities of £2,013,486 (2018: £2,487,429). The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least twelve months from approval of these accounts, 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.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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## 2. Accounting policies (continued)

### 2.4 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated.

When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses are recoverable.

### 2.5 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

### 2.6 Pensions

#### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

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 FRS102 the scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the scheme administrator.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 2. Accounting policies (continued)

##### 2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Fixtures and fittings	- 5% to 25% straight line
Swimming pool complex	- 10% & 2 % straight line
Other fixed assets	- 10%, 20% & 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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## 2. Accounting policies (continued)

### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

### 2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 2. Accounting policies (continued)

##### 2.13 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Provision of educational services	8,984,778	8,554,101
Grant income	56,112	49,542
Sale of goods	5,514	3,833
	<u>9,046,404</u>	<u>8,607,476</u>

All turnover arose within the United Kingdom.

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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**5. Other operating income**

	2019 £	2018 £
Other operating income	8,529	8,990
Rental income	101,247	91,025
Management charges receivable	6,350	7,377
	<u>116,126</u>	<u>107,392</u>

**6. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	<u>376,385</u>	<u>372,241</u>

**7. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>13,780</u>	<u>13,250</u>

**Fees payable to the Group's auditor and its associates in respect of:**

All other services	<u>4,440</u>	<u>1,000</u>
	<u>4,440</u>	<u>1,000</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	3,848,069	3,721,437	3,848,069	3,721,437
Social security costs	363,689	355,817	363,689	355,817
Other pension costs	468,497	453,002	468,497	453,002
	<u>4,680,255</u>	<u>4,530,256</u>	<u>4,680,255</u>	<u>4,530,256</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Activities & sports	16	18
Administrative staff	19	16
Management staff	2	3
Teaching staff	50	49
Teaching assistants	44	48
Domestic catering	33	33
Finance	4	4
Maintenance & Cleaning	21	22
	<u>189</u>	<u>193</u>

The total remuneration for key management personnel (including NI) was £239,624 (2018: £233,248)

### 9. Directors' remuneration

	2019 £	2018 £
Remuneration	190,000	177,500
Company contributions to defined contribution pension plans	22,756	28,593
	<u>212,756</u>	<u>206,093</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

Directors' remuneration and key management personnel relate to the Heads of the two schools.



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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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**10. Interest payable and similar expenses**

	2019 £	2018 £
Bank interest payable	11,968	19,709
Other loan interest payable	2,790	439
	<u>14,758</u>	<u>20,148</u>

**11. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	182,980	74,490
	<u>182,980</u>	<u>74,490</u>
<b>Total current tax</b>	<u>182,980</u>	<u>74,490</u>
<b>Taxation on profit on ordinary activities</b>	<u>182,980</u>	<u>74,490</u>

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	792,456	252,048
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	150,567	47,889
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,067	-
Fixed asset differences	29,346	26,601
<b>Total tax charge for the year</b>	<b>182,980</b>	<b>74,490</b>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**12. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Swimming pool complex £	Other fixed assets £
<b>Cost or valuation</b>					
At 1 September 2018	8,451,461	1,153,417	1,127,379	1,503,500	748,834
Additions	405,056	-	82,446	-	45,035
Disposals	-	-	(458,208)	-	(374,012)
At 31 August 2019	8,856,517	1,153,417	751,617	1,503,500	419,857
<b>Depreciation</b>					
At 1 September 2018	1,681,996	383,735	832,922	378,759	645,407
Charge for the year on owned assets	184,367	57,876	48,683	29,835	55,624
Disposals	-	-	(458,208)	-	(374,012)
At 31 August 2019	1,866,363	441,611	423,397	408,594	327,019
<b>Net book value</b>					
At 31 August 2019	6,990,154	711,806	328,220	1,094,906	92,838
At 31 August 2018	6,769,465	769,682	294,457	1,124,741	103,427

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2018	12,984,591
Additions	532,537
Disposals	(832,220)
At 31 August 2019	<u>12,684,908</u>
<b>Depreciation</b>	
At 1 September 2018	3,922,819
Charge for the year on owned assets	376,385
Disposals	(832,220)
At 31 August 2019	<u>3,466,984</u>
<b>Net book value</b>	
At 31 August 2019	<u>9,217,924</u>
At 31 August 2018	<u>9,061,772</u>

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Swimming pool complex £	Other fixed assets £
<b>Cost or valuation</b>					
At 1 September 2018	8,377,860	85,049	1,127,379	1,503,500	671,384
Additions	402,033	-	82,446	-	45,035
Disposals	-	-	(458,208)	-	(374,012)
At 31 August 2019	<u>8,779,893</u>	<u>85,049</u>	<u>751,617</u>	<u>1,503,500</u>	<u>342,407</u>
<b>Depreciation</b>					
At 1 September 2018	1,675,863	62,640	832,922	378,759	618,373
Charge for the year on owned assets	180,742	4,252	48,683	29,835	50,801
Disposals	-	-	(458,208)	-	(374,012)
At 31 August 2019	<u>1,856,605</u>	<u>66,892</u>	<u>423,397</u>	<u>408,594</u>	<u>295,162</u>
<b>Net book value</b>					
At 31 August 2019	<u>6,923,288</u>	<u>18,157</u>	<u>328,220</u>	<u>1,094,906</u>	<u>47,245</u>
At 31 August 2018	<u>6,701,997</u>	<u>22,408</u>	<u>294,457</u>	<u>1,124,741</u>	<u>53,011</u>

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2018	11,765,172
Additions	529,514
Disposals	(832,220)
At 31 August 2019	<u>11,462,466</u>
<b>Depreciation</b>	
At 1 September 2018	3,568,557
Charge for the year on owned assets	314,313
Disposals	(832,220)
At 31 August 2019	<u>3,050,650</u>
<b>Net book value</b>	
At 31 August 2019	<u>8,411,816</u>
At 31 August 2018	<u>8,196,614</u>

For the group, other assets comprise motor vehicles with a net book value of £7,600 (2018: £16,551) and computer equipment of £84,880 (2018: £86,876).

For the company, other assets comprise motor vehicles with a net book value of £Nil (2018: £7,051) and computer equipment of £47,247 (2018: £45,961).

Freehold property with a carrying amount of £6,923,288 (2018: £6,703,267) have been pledged to secure borrowings of the group.

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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**13. Fixed Asset Investments**

**Subsidiary Undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holdings</b>	<b>Principal Activity</b>
Brookham Energy Limited	Ordinary	100%	Energy Supplier

<b>Name</b>	<b>Registered Office</b>
Brookham Energy Limited	Highfield School, Liphook, GU30 7LQ

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 September 2018	100
At 31 August 2019	100

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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**14. Stocks**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	77,414	80,150	77,414	80,149
	<u>77,414</u>	<u>80,150</u>	<u>77,414</u>	<u>80,149</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**15. Debtors**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	35,201	25,176	31,078	23,699
Amounts owed by group undertakings	-	-	-	1,433,532
Other debtors	39,131	14,814	32,387	10,098
Prepayments and accrued income	397,598	509,691	397,597	501,696
	<u>471,930</u>	<u>549,681</u>	<u>461,062</u>	<u>1,969,025</u>



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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**16. Cash and cash equivalents**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	47,535	51,057	1,983	1,634
Less: bank overdrafts	(102,142)	(574,513)	(102,142)	(574,513)
	<u>(54,607)</u>	<u>(523,456)</u>	<u>(100,159)</u>	<u>(572,879)</u>

**17. Creditors: Amounts falling due within one year**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	102,142	574,513	102,142	574,513
Bank loans	139,984	344,006	139,984	344,006
Other loans	80,000	-	80,000	-
Trade creditors	281,634	326,586	272,519	309,356
Corporation tax	182,980	74,490	182,980	74,490
Other taxation and social security	163,248	101,174	163,248	101,174
Other creditors	509,236	530,278	509,236	530,278
Accruals and deferred income	1,151,141	1,217,270	1,149,606	1,188,792
	<u>2,610,365</u>	<u>3,168,317</u>	<u>2,599,715</u>	<u>3,122,609</u>

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 18. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	-	139,985	-	139,985
Other loans	278,445	-	278,445	-
Other creditors	215,552	333,392	215,552	333,392
	<u>493,997</u>	<u>473,377</u>	<u>493,997</u>	<u>473,377</u>

On 25 November 2011, HSBC Bank plc issues 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 undertaking both present and future.

The bank is repayable in equal instalments over a term of three years. Interest is payable at 1.8% per annum over the Bank of England rate.

On 1 July 2019 WS Mills issued a loan to the company with an interest rate of 4% per annum with a flexible repayment profile.

Included within creditors amounts falling due after more than one year is an amount of £51,400 (2018: £62,000 for the group in respect of liabilities repayable by instalments which fall due for payment after more than five years from the reporting date).

Amounts which fall due for payment after more than five years from the reporting date relate to pupil deposits.

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**19. Financial instruments**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Financial assets</b>				
Trade debtors	35,201	25,176	31,078	23,699
Cash at bank and in hand	47,535	51,057	1,983	1,634
	<u>82,736</u>	<u>76,233</u>	<u>33,061</u>	<u>25,333</u>
<b>Financial liabilities</b>				
Bank overdrafts	(102,142)	(574,513)	(102,142)	(574,513)
Trade creditors	(281,634)	(326,856)	(272,519)	(309,356)
Bank loans	(139,984)	(344,006)	(139,984)	(344,006)
Financial liabilities measured at amortised cost	(42,042)	(46,461)	(42,042)	(46,461)
	<u>(285,834)</u>	<u>(603,824)</u>	<u>(276,719)</u>	<u>(586,324)</u>

**20. Deferred taxation**

**Group**

	2019 £
At beginning of year	(294,103)
At end of year	<u>(294,103)</u>

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**20. Deferred taxation (continued)**

**Company**

	2019 £			
At beginning of year				(199,687)
At end of year				<u>(199,687)</u>
	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(294,103)	(294,103)	(199,687)	(199,687)
	<u>(294,103)</u>	<u>(294,103)</u>	<u>(199,687)</u>	<u>(199,687)</u>

**21. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
6,500 (2018 - 6,500) Ordinary shares shares of £1.00 each	<u>6,500</u>	<u>6,500</u>

**22. Reserves**

**Profit and loss account**

The profit and loss account records retained earnings and accumulated losses.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 23. Pension commitments

The amount recognised in profit and loss as an expense in relation to defined contribution plans amounted to £468,497 (2018 - £453,002) .

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £331,162 (2018: £365,620) and at the year-end £42,042 (2018 - £43,402) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 24. Related party transactions

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

At the balance sheet date the company owed £22,902 (2018: £46,461) to S Mills, mother of W S Mills. During the year the company paid loan interest of £1,323 (2018: £439) on the balance of the loan due to S Mills. S Mills paid rent of £22,200 (2018: £21,300) to the company for renting a property within the school grounds.

At the balance sheet date the company owed £358,445 to WS Mills. The company purchased land totalling 28 acres belonging to WS Mills that was developed for an all weather hockey pitch together with other land for other school purposes. The purchase price of the land was £398,445 which was a value determined by an independent valuation. During the year the school paid £40,000 against this purchase with the remainder outstanding to be cleared on transactions as a loan.

During the year E Mills was paid a salary of £45,823 (2018: £40,000).

During the year, W S Mills supplied the company's subsidiary, Brookham Energy, with timber at market rate and charged £5,670 (2018: £11,665).

During the year, the company paid invoices of £34,092 (2018: £52,802) on behalf of W S Mills. This amount was repaid during the year.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS102.

#### 25. Post balance sheet events

On 1 September 2019 Highfield School left the Teachers pension scheme and switched to a new scheme for teaching staff.

#### 26. Controlling party

The company was under the control of W S Mills.