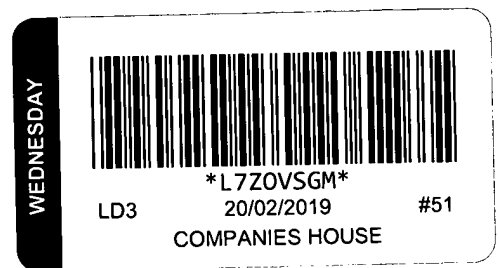


Registered number: 1220993

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



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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 (appointed 3 November 2017) John Herring Jonathan Leigh William Mills
<b>Company secretary</b>	M Harris
<b>Registered number</b>	1220993
<b>Registered office</b>	Highfield and Brookham Schools Highfield Lane Liphook Hampshire GU30 7LQ
<b>Independent auditors</b>	haysmacintyre 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 2018

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#### Introduction

The directors present their report for the year ended 31 August 2018.

#### Business review

The principle 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 2017/18 year with 458 pupils: 170 at Brookham School (a decrease of 21 pupils on the prior year) and 288 at Highfield School (a decrease of 14 on the prior year). Boarding numbers have increased throughout the course of the year to 123 at the year end in comparison to 116 in the previous year.

An international Summer School was held for a fourth year in July 2018 which 33 students attended and 2019 enrolments are currently at 15.

Overall revenue generation for 2017/18, including other operating income, was £8.7m, a decrease of £124k (1.4%) compared to 2016/17 and 359k in excess of the planned budget, partly to discounts being lower at 5.85% and increased pupil numbers in comparison to the Budget of 445.

Direct costs and overheads in the year of £8.4m exceeded the budget by £278K. Most of this was due to refurbishment projects that were not planned at the level undertaken. A summary of the major refurbishments are listed below:

BH Decoration	£125,000
Offices	£4,000
Theatre & DT	£52,000
Windows	£121,000
Dorms	£128,000
Paths	£6,000
Roofs	£32,000
Cricket Square	£7,000
JBH	£20,000
Library	£5,000

Overall profit before tax for the year of £252k (2.9% return on revenue) was £362k less than 2016/17 when the return was 7.4%. The variance is due to the refurbishment projects as explained above.

The loan facility repayments continued and during the year, we had to extend our overdraft facility in December 2017 for a month due to an unusually high supplier payment run, fees received in January more than covered the borrowed amount.

#### 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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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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The directors present their report and the financial statements for the year ended 31 August 2018.

#### 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 £177,558 (2017 - £492,420).

#### Directors

The directors who served during the year were:

Phillip Evitt  
David Harper (appointed 3 November 2017)  
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 2018**

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**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

This report was approved by the board on 15 February 2019 and signed on its behalf.



**William Mills**  
Director

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### Future developments

There has been a slight decline at the start of 2018/19 in our pupil numbers. Highfield numbers have dropped slightly to 285, with 98 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 159 with the decline being in Nursery and Reception. A number of initiatives are being introduced to make the local community aware of the presence of the school.

The group investment in the school continues with extensive repairs and maintenance programmes planned for the school and grounds. During the year major developments included an extensive refurbishment of the Nursery, the next phase of dormitories and the continued replacement of windows around the school.

#### Principle 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.

#### 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 2018**

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This report was approved by the board on 15 February 2019 and signed on its behalf.



**William Mills**  
Director



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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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 2018, 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 2018 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

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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

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knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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 SHAREHOLDERS OF HIGHFIELD SCHOOL (LIPHOOK) LIMITED (CONTINUED)

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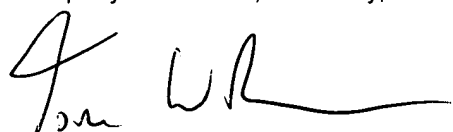
#### Auditors' responsibilities for the audit of the financial statements

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, 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 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, as a body, 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**

10 Queen Street Place  
London  
EC4R 1AG

15 February 2019

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2018

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	Note	2018 £	2017 £
Turnover	4	8,607,475	8,721,422
Cost of sales		(4,226,778)	(4,223,495)
<b>Gross profit</b>		<b>4,380,697</b>	<b>4,497,927</b>
Administrative expenses		(4,215,893)	(3,979,502)
Other operating income	5	107,392	121,912
<b>Operating profit</b>	6	<b>272,196</b>	<b>640,337</b>
Interest payable and expenses	10	(20,148)	(26,023)
<b>Profit before tax</b>		<b>252,048</b>	<b>614,314</b>
Tax on profit		(74,490)	(121,894)
<b>Profit for the financial year</b>		<b>177,558</b>	<b>492,420</b>

There was no other comprehensive income for 2018 (2017:£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 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	9,061,772	9,244,541
		<u>9,061,772</u>	<u>9,244,541</u>
<b>Current assets</b>			
Stocks	14	80,149	83,769
Debtors: amounts falling due within one year	15	549,681	595,963
Cash at bank and in hand	16	51,057	36,522
		<u>680,887</u>	<u>716,254</u>
Creditors: amounts falling due within one year	17	(3,168,317)	(3,102,073)
<b>Net current liabilities</b>		<u>(2,487,430)</u>	<u>(2,385,819)</u>
<b>Total assets less current liabilities</b>		<u>6,574,342</u>	<u>6,858,722</u>
Creditors: amounts falling due after more than one year	18	(473,377)	(935,315)
<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>5,806,862</u>	<u>5,629,304</u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit And Loss Account	22	5,800,362	5,622,804
		<u>5,806,862</u>	<u>5,629,304</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 February 2019.



**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 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	8,196,615	8,316,848
Investments	13	100	100
		<u>8,196,715</u>	<u>8,316,948</u>
<b>Current assets</b>			
Stocks	14	80,149	83,769
Debtors: amounts falling due within one year	15	1,969,024	1,951,377
Cash at bank and in hand	16	1,634	1,204
		<u>2,050,807</u>	<u>2,036,350</u>
Creditors: amounts falling due within one year	17	(3,122,609)	(3,059,278)
<b>Net current liabilities</b>		<u>(1,071,802)</u>	<u>(1,022,928)</u>
<b>Total assets less current liabilities</b>		<u>7,124,913</u>	<u>7,294,020</u>
Creditors: amounts falling due after more than one year	18	(473,377)	(935,315)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(199,687)	(199,687)
		<u>(199,687)</u>	<u>(199,687)</u>
<b>Net assets excluding pension asset</b>		<u>6,451,849</u>	<u>6,159,018</u>
<b>Net assets</b>		<u><u>6,451,849</u></u>	<u><u>6,159,018</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit and loss account carried forward		6,445,349	6,152,518
		<u>6,451,849</u>	<u>6,159,018</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 February 2019.

  
**William Mills**  
 Director

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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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2018

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2016</b>	6,500	5,130,384	5,136,884
<b>Comprehensive income for the year</b>			
Profit for the year	-	492,420	492,420
<b>Total comprehensive income for the year</b>	-	492,420	492,420
<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 31 August 2018</b>	6,500	5,800,362	5,806,862

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 2018

---

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2016</b>	6,500	5,629,693	5,636,193
Profit for the year	-	522,825	522,825
<b>At 1 September 2017</b>	6,500	6,152,518	6,159,018
<b>Comprehensive income for the year</b>			
Profit for the year	-	292,831	292,831
<b>Total comprehensive income for the year</b>	-	292,831	292,831
<b>At 31 August 2018</b>	6,500	6,445,349	6,451,849

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 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	177,558	492,420
<b>Adjustments for:</b>		
Depreciation of tangible assets	372,241	402,147
Loss on disposal of tangible assets	-	(3,950)
Interest paid	20,148	26,023
Taxation charge	74,490	121,894
Decrease/(increase) in stocks	3,620	(11,354)
Decrease/(increase) in debtors	46,282	(89,620)
Increase in creditors	153,361	73,482
Corporation tax (paid)	(141,045)	(115,124)
<b>Net cash generated from operating activities</b>	<u>706,655</u>	<u>895,918</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(189,473)	(436,014)
Sale of tangible fixed assets	-	18,350
<b>Net cash from investing activities</b>	<u>(189,473)</u>	<u>(417,664)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(483,991)	(172,003)
Interest paid	(20,148)	(26,023)
<b>Net cash used in financing activities</b>	<u>(504,139)</u>	<u>(198,026)</u>
<b>Net increase in cash and cash equivalents</b>	<u>13,043</u>	<u>280,228</u>
Cash and cash equivalents at beginning of year	(536,499)	(816,727)
<b>Cash and cash equivalents at the end of year</b>	<u><u>(523,456)</u></u>	<u><u>(536,499)</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	51,057	36,522
Bank overdrafts	(574,513)	(573,021)
	<u><u>(523,456)</u></u>	<u><u>(536,499)</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 2018

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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 Lan, Liphook, Hampshire, GU30 7LQ. The principle 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 £2,068,934 (2017: £2,385,819). 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 2018

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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 2018

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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 2018

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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 2018

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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:

	2018 £	2017 £
Provision of educational services	8,554,101	8,653,001
Grant income	49,542	59,952
Sale of goods	3,833	8,470
	<u>8,607,476</u>	<u>8,721,423</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 2018

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5. Other operating income

	2018 £	2017 £
Other operating income	8,990	8,149
Rental income	91,025	95,590
Management charges receivable	7,377	18,173
	<u>107,392</u>	<u>121,912</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	372,241	402,147
Gains on disposal of tangibles	-	(3,950)
Impairment of trade debtors	-	236
	<u>-</u>	<u>236</u>

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>13,250</u>	<u>14,600</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u>1,000</u>	<u>4,326</u>
	<u>1,000</u>	<u>4,326</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

### 8. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	3,721,437	3,717,112	3,721,437	3,717,112
Social security costs	355,817	347,804	355,817	347,804
Other pension costs	453,002	411,506	453,002	411,506
	<u>4,530,256</u>	<u>4,476,422</u>	<u>4,530,256</u>	<u>4,476,422</u>

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

	2018 No.	2017 No.
Activities & sports	18	18
Administrative staff	16	16
Management staff	3	2
Teaching staff	49	50
Teaching assistants	48	48
Domestic catering	33	31
Finance	4	4
Maintenance & Cleaning	22	23
	<u>193</u>	<u>192</u>

The total remuneration for key management personnel was £233,248 (2017: £888,219)

### 9. Directors' remuneration

	2018 £	2017 £
Remuneration	177,500	99,500
Company contributions to defined contribution pension plans	28,593	16,398
	<u>206,093</u>	<u>115,898</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.



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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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**10. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	19,709	25,699
Other loan interest payable	439	324
	<u>20,148</u>	<u>26,023</u>

**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	74,490	141,047
	<u>74,490</u>	<u>141,047</u>
<b>Total current tax</b>	<u>74,490</u>	<u>141,047</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(1,750)
Changes to tax rates	-	(17,403)
	<u>-</u>	<u>(19,153)</u>
<b>Total deferred tax</b>	<u>-</u>	<u>(19,153)</u>
<b>Taxation on profit on ordinary activities</b>	<u>74,490</u>	<u>121,894</u>

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	252,048	614,314
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	74,490	120,290
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	18,746
Impact of change in tax rate	-	(17,142)
<b>Total tax charge for the year</b>	<b>74,490</b>	<b>121,894</b>

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2017	8,426,489	1,153,417	1,021,033	1,503,500	697,180
Additions	24,973	-	112,846	-	51,654
Disposals	-	-	(6,500)	-	-
At 31 August 2018	8,451,462	1,153,417	1,127,379	1,503,500	748,834
<b>Depreciation</b>					
At 1 September 2017	1,507,178	323,815	785,283	348,463	592,340
Charge for the year on owned assets	174,818	59,920	54,139	30,296	53,068
Disposals	-	-	(6,500)	-	-
At 31 August 2018	1,681,996	383,735	832,922	378,759	645,408
<b>Net book value</b>					
At 31 August 2018	6,769,466	769,682	294,457	1,124,741	103,426
At 31 August 2017	6,919,312	829,602	235,750	1,155,037	104,840

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2017	12,801,619
Additions	189,473
Disposals	(6,500)
At 31 August 2018	<u>12,984,592</u>
<b>Depreciation</b>	
At 1 September 2017	3,557,079
Charge for the year on owned assets	372,241
Disposals	(6,500)
At 31 August 2018	<u>3,922,820</u>
<b>Net book value</b>	
At 31 August 2018	<u><u>9,061,772</u></u>
At 31 August 2017	<u><u>9,244,541</u></u>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**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 2017	8,352,887	85,049	1,021,033	1,503,500	619,730
Additions	24,973	-	112,846	-	51,654
Disposals	-	-	(6,500)	-	-
At 31 August 2018	8,377,860	85,049	1,127,379	1,503,500	671,384
<b>Depreciation</b>					
At 1 September 2017	1,503,089	58,388	785,283	348,463	570,127
Charge for the year on owned assets	172,774	4,252	54,139	30,296	48,246
Disposals	-	-	(6,500)	-	-
At 31 August 2018	1,675,863	62,640	832,922	378,759	618,373
<b>Net book value</b>					
At 31 August 2018	6,701,997	22,409	294,457	1,124,741	53,011
At 31 August 2017	6,849,798	26,660	235,750	1,155,037	49,603

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2017	11,582,199
Additions	189,473
Disposals	(6,500)
At 31 August 2018	<u>11,765,172</u>
<b>Depreciation</b>	
At 1 September 2017	3,265,350
Charge for the year on owned assets	309,707
Disposals	(6,500)
At 31 August 2018	<u>3,568,557</u>
<b>Net book value</b>	
At 31 August 2018	<u><u>8,196,615</u></u>
At 31 August 2017	<u><u>8,316,848</u></u>

For the group, other assets comprise motor vehicles with a net book value of £16,551 (2017: £27,000) and computer equipment of £86,876 (2017: £77,840).

For the company, other assets comprise motor vehicles with a net book value of £7,051 (2017: £15,600) and computer equipment of £45,961 (2017: £49,362).

Freehold property with a carrying amount of £6,703,267 (2017: £6,717,803) 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 2018

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13. Fixed asset investments

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal Activity
Brookham Energy Limited	Ordinary	100 %	Energy supplier

Name	Registered office
Brookham Energy Limited	Highfield School, Liphook, GU30 7LQ

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 September 2017	100
At 31 August 2018	100
<b>Net book value</b>	
At 31 August 2018	100

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**13. Fixed asset investments (continued)**

**14. Stocks**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Finished goods and goods for resale	80,149	83,769	80,149	83,769
	<u>80,149</u>	<u>83,769</u>	<u>80,149</u>	<u>83,769</u>

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

**15. Debtors**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	25,176	50,810	23,699	50,718
Amounts owed by group undertakings	-	-	1,433,531	1,406,971
Other debtors	14,814	48,273	10,098	43,740
Prepayments and accrued income	509,691	496,880	501,696	449,948
	<u>549,681</u>	<u>595,963</u>	<u>1,969,024</u>	<u>1,951,377</u>



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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**16. Cash and cash equivalents**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	51,057	36,522	1,634	1,204
Less: bank overdrafts	(574,513)	(573,021)	(574,513)	(573,021)
	<u>(523,456)</u>	<u>(536,499)</u>	<u>(572,879)</u>	<u>(571,817)</u>

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	574,513	573,021	574,513	573,021
Bank loans	344,006	344,006	344,006	344,006
Trade creditors	326,586	303,958	309,356	301,518
Corporation tax	74,490	141,047	74,490	141,047
Other taxation and social security	101,174	98,895	101,174	98,895
Other creditors	530,278	535,931	530,278	535,931
Accruals and deferred income	1,217,270	1,105,215	1,188,792	1,064,860
	<u>3,168,317</u>	<u>3,102,073</u>	<u>3,122,609</u>	<u>3,059,278</u>

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	-	483,991	-	483,991
Other creditors	473,377	451,324	473,377	451,324
	<u>473,377</u>	<u>935,315</u>	<u>473,377</u>	<u>935,315</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.

Included within creditors amounts falling due after more than one year is an amount of £62,000 (2017: £61,700 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.

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Financial instruments**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Trade debtors	25,176	50,810	23,699	50,718
Cash at bank and in hand	51,057	36,522	1,634	1,204
	<u>76,233</u>	<u>87,332</u>	<u>25,333</u>	<u>51,922</u>
<b>Financial liabilities</b>				
Bank overdrafts	(574,513)	(573,021)	(574,513)	(573,021)
Trade creditors	(326,856)	(303,960)	(309,356)	(301,518)
Bank loans	(344,006)	(827,997)	(344,006)	(827,997)
Financial liabilities measured at amortised cost	(46,461)	(69,584)	(46,461)	(69,584)
	<u>(1,291,836)</u>	<u>(1,774,562)</u>	<u>(1,274,336)</u>	<u>(1,772,120)</u>

**20. Deferred taxation**

**Group**

	2018 £
At beginning of year	(294,103)
Charged to profit or loss	-
<b>At end of year</b>	<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 2018**

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**20. Deferred taxation (continued)**

**Company**

	2018 £
At beginning of year	(199,687)
Charged to profit or loss	-
<b>At end of year</b>	<b>(199,687)</b>

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
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**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
6,500 (2017 - 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 2018

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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 £453,002 (2017 - £411,448).

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 £365,620 (2017: £338,863) and at the year-end £43,402 (2017 - £42,350) 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 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

The School also runs schemes for its non-teaching staff, which are defined contribution schemes. The School's contributions in the year were £87,381 (2017: £72,585) and £16,462 (2017: £Nil) was accrued at year end in respect of this scheme.

#### 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 £46,461 (2017: £69,584) to S Mills, mother of W S Mills. During the year the company paid loan interest of £439 (2017: £324) on the balance of the loan due to S Mills. S Mills paid rent of £21,300 (2017: £21,300) to the company for renting a property within the school grounds.

During the year E Mills was paid a salary of £40,000 (2017: £40,000).

During the year, W S Mills supplied the company's subsidiary, Brookham Energy, with timber at market rate and charged £11,665 (2017: £30,549). Brookham Energy supplied W Mills with wood chip at market rate and charged £nil (2017: £20,086).

During the year, the company paid invoices of £52,802 (2017: £55,471) on behalf of W S Mills. No further transactions with related parties were undertaken such as are required to be disclosed under FRS102.

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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**25. Controlling party**

The company was under the control of W S Mills.