

**Registered number: 1220993**

# **HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 Sophie Baber (appointed 3 February 2021) Charlotte Lumsden (appointed 3 February 2021)
<b>Company secretary</b>	M Harris
<b>Registered number</b>	1220993
<b>Registered office</b>	Highfield School
<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 2021

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#### Introduction

The directors present their report for the year ended 31 August 2021.

#### 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 year started as usual, but boarding was delayed by two weeks, awaiting government guidelines. The remainder of the year was similar to last year in that the school had to provide teaching online for much of the Spring Term as the government enforced closure of the School site to all pupils, with the exception of key worker children, following another Covid-19 outbreak.

The result of the closure was that the school was unable to provide the full range of activities, meals or boarding during this period. Online teaching methods were swiftly introduced, given what we had learnt from the previous year. Following a generous fee discount in the Summer Term, the decision was made to charge day pupils 85% of the day fee, boarders 75% of the boarding fee and keyworker children were charged in full accordingly. Following all recommended guidance, Highfield and Brookham was able to open for the last three weeks of term. A pro-rated charge was made for this period.

The delayed Autumn Term boarding and Spring Term revenue impact of the enforced lockdown was approximately £290k, principally the result of the fee reduction. Some of this reduction was offset by the furloughing of £137k, and by some savings of non-staff costs.

The school ended the 2020/21 year with 454 pupils: 188 at Brookham School (an increase of 35 pupils on the prior year) and 266 at Highfield School (a decrease of 18 on the prior year).

The International Summer School was cancelled again due to COVID-19 and refunds were given, with the aim to run the course in 2023.

Overall revenue generation for 2020/21, including other operating income was £7.8M, an increase of £0.4M (5.4%) compared to 2019/20.

Some savings were made through the deferral of refurbishment projects, with £168,000 being spent compared to £49,000 the previous year and a budgeted figure of £260,000. It is important to note that these deferred projects will need to be "caught up" in future years.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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#### Principal risks and uncertainties

The greatest risk moving forward will be the impact of Covid, if businesses and the economy fail to revive, families may struggle to justify and pay school fees. At present the school has not been hugely impacted, in fact there has been larger interest from London families looking to move to the countryside, but the house market isn't buoyant and families are struggling to find housing. The Directors monitor developments on a continuous basis and plan accordingly.

The Directors also monitor political changes which may affect the future of independent schools.

#### Financial risk management objectives and policies

The group's working capital includes cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The group's cash flow is dependent on fees being paid in advance and if the current economic climate causes a reduction in fees being paid in advance this will impact on the group's cash flow. The Board aims to ensure that the group has sufficient resources to cope with short term fluctuations in working capital and there is an overdraft facility in place to cover potential shortfalls.

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.

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

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.

#### Financial key performance indicators

The main contributing factor to the financial success of the school is the number of pupils. School fees generated 90% of total revenue. The pupil statistics outlined above give an immediate snapshot of the school's position in 2020/21 in comparison to 2019/20.

This report was approved by the board on 14 March 2022 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 2021

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The directors present their report and the financial statements for the year ended 31 August 2021.

#### 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 loss for the year, after taxation, amounted to £39,451 (2020 - profit £497,398).

#### Directors

The directors who served during the year were:

Phillip Evitt  
David Harper  
John Herring  
Jonathan Leigh  
William Mills  
Sophie Baber (appointed 3 February 2021)  
Charlotte Lumsden (appointed 3 February 2021)

#### Future developments

Highfield started the 2021/22 school year with 264 pupils, compared to 259 in September 2020. Brookham started the year with 182 pupils compared to 160 in September 2020, mainly due to an increased demand in nursery spaces and an extension is due to be built to accommodate increasing numbers.

Investment in the school has continued, the new pavilion planned as part of a community use agreement to accompany the new All-Weather Pitch, which was put on hold last year, completed in November 2021.

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021

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**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.

This report was approved by the board on 14 March 2022 and signed on its behalf.

*W S Mills*

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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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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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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 set out on page 3, 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Tax law.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; \_
- Challenging assumptions and judgments made by management in their critical accounting estimates; and
- Identifying and testing journals.

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.

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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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**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 LLP**

10 Queen Street Place  
London  
EC4R 1AG

Date: 15 March 2022

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Turnover	4	7,734,094	7,358,471
Cost of sales		(4,025,001)	(3,948,619)
<b>Gross profit</b>		<b>3,709,093</b>	<b>3,409,852</b>
Administrative expenses		(3,765,212)	(3,212,298)
Other operating income	5	234,990	510,893
<b>Operating profit</b>	6	<b>178,871</b>	<b>708,447</b>
Interest payable and expenses	10	(17,487)	(22,910)
<b>Profit before taxation</b>		<b>161,384</b>	<b>685,537</b>
Tax on profit	11	(200,835)	(188,139)
<b>(Loss)/profit for the financial year</b>		<b>(39,451)</b>	<b>497,398</b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 15 to 31 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 Restated £
<b>Fixed assets</b>			
Tangible assets	12	10,081,696	9,813,215
		<u>10,081,696</u>	<u>9,813,215</u>
<b>Current assets</b>			
Stocks	14	115,358	108,378
Debtors: amounts falling due within one year	15	684,978	282,200
Cash at bank and in hand	16	15,925	55,570
		<u>816,261</u>	<u>446,148</u>
Creditors: amounts falling due within one year	17	(2,901,270)	(2,218,340)
<b>Net current liabilities</b>		<u>(2,085,009)</u>	<u>(1,772,192)</u>
<b>Total assets less current liabilities</b>		<u>7,996,687</u>	<u>8,041,023</u>
Creditors: amounts falling due after more than one year	18	(612,842)	(719,134)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(475,645)	(374,238)
		<u>(475,645)</u>	<u>(374,238)</u>
<b>Net assets excluding pension asset</b>		<u>6,908,200</u>	<u>6,947,651</u>
<b>Net assets</b>		<u><u>6,908,200</u></u>	<u><u>6,947,651</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit and loss account	22	6,901,700	6,941,151
		<u><u>6,908,200</u></u>	<u><u>6,947,651</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2022.

*W S Mills*

**William Mills**  
Director

The notes on pages 15 to 31 form part of these financial statements.

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

**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	9,045,450	9,069,179
Investments	13	100	100
		<u>9,045,550</u>	<u>9,069,279</u>
<b>Current assets</b>			
Stocks	14	70,534	74,316
Debtors: amounts falling due within one year	15	1,001,888	282,887
Cash at bank and in hand	16	1,024	12,323
		<u>1,073,446</u>	<u>369,526</u>
Creditors: amounts falling due within one year	17	(2,831,264)	(2,215,298)
<b>Net current liabilities</b>		<u>(1,757,818)</u>	<u>(1,845,772)</u>
<b>Total assets less current liabilities</b>		<u>7,287,732</u>	<u>7,223,507</u>
Creditors: amounts falling due after more than one year	18	(612,842)	(719,134)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(373,802)	(279,822)
		<u>(373,802)</u>	<u>(279,822)</u>
<b>Net assets</b>		<u>6,301,088</u>	<u>6,224,551</u>
<b>Capital and reserves</b>			
Called up share capital	21	6,500	6,500
Profit and loss account	22	6,294,588	6,218,051
		<u>6,301,088</u>	<u>6,224,551</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2022.

*W S Mills*

**William Mills**  
Director

The notes on pages 15 to 31 form part of these financial statements.  
The profit after tax of the parent company for the year was £97,880 (2020: £567,171)

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2019</b>	6,500	6,443,753	6,450,253
Profit for the year	-	497,398	497,398
<b>At 1 September 2020</b>	6,500	6,941,151	6,947,651
Loss for the year	-	(39,451)	(39,451)
<b>At 31 August 2021</b>	6,500	6,901,700	6,908,200

The notes on pages 15 to 31 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2019</b>	6,500	5,654,859	5,661,359
Profit for the year	-	563,192	563,192
<b>At 1 September 2020</b>	6,500	6,218,051	6,224,551
Profit for the year	-	76,537	76,537
<b>At 31 August 2021</b>	6,500	6,294,588	6,301,088

The notes on pages 15 to 31 form part of these financial statements.

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	(39,451)	497,398
<b>Adjustments for:</b>		
Depreciation of tangible assets	405,220	411,669
Loss on disposal of tangible assets	53,327	-
Interest paid	17,487	22,910
Taxation charge	200,835	188,139
(Increase)/decrease in stocks	(6,980)	3,098
(Increase)/decrease in debtors	(402,777)	187,102
Increase/(decrease) in creditors	434,500	(471,848)
Corporation tax (paid)/received	(284,363)	-
<b>Net cash generated from operating activities</b>	<u>377,798</u>	<u>838,468</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(727,024)	(1,006,952)
<b>Net cash from investing activities</b>	<u>(727,024)</u>	<u>(1,006,952)</u>
<b>Cash flows from financing activities</b>		
New secured bank loans	-	800,000
Repayment of bank loans	(248,014)	(139,984)
Repayment of other loans	-	(358,445)
Interest paid	(17,487)	(22,910)
<b>Net cash used in financing activities</b>	<u>(265,501)</u>	<u>278,661</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(614,727)</u>	<u>110,177</u>
Cash and cash equivalents at beginning of year	55,570	(54,607)
<b>Cash and cash equivalents at the end of year</b>	<u><u>(559,157)</u></u>	<u><u>55,570</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	15,925	55,570
Bank overdrafts	(575,082)	-
	<u><u>(559,157)</u></u>	<u><u>55,570</u></u>



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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 AUGUST 2021

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	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	55,570	(39,645)	15,925
Bank overdrafts	-	(575,081)	(575,081)
Debt due after 1 year	(524,429)	303,128	(221,301)
Debt due within 1-year	(275,571)	(55,114)	(330,685)
	<u>(744,430)</u>	<u>(366,712)</u>	<u>(1,111,142)</u>

The notes on pages 15 to 31 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 2021

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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

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 2021

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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.

Government grant income relates to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the relevant expense has been incurred.

##### 2.5 Borrowing costs

All borrowing costs are recognised in profit or loss 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 profit or loss 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 contributed to the Teachers' Pension Benefits Scheme up until 31 August 2019 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 2021

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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 profit or loss 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
Freehold improvements	- 2% to 10% 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 profit or loss.

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## HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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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 profit or loss 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.

#### 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.

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**4. Turnover**

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

	2021 £	2020 £
Provision of educational services	7,670,026	7,250,150
Grant income	61,846	53,372
Sale of goods	2,222	54,949
	<u>7,734,094</u>	<u>7,358,471</u>

All turnover arose within the United Kingdom.

**5. Other operating income**

	2021 £	2020 £
Other operating income	15,824	12,795
Rental income	80,125	87,463
Government grant income	136,361	404,440
Management charges receivable	2,680	6,195
	<u>234,990</u>	<u>510,893</u>

**6. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>405,220</u>	<u>411,659</u>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	16,125	14,470
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Other services	5,175	4,500
	5,175	4,500

**8. Employees**

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	4,075,474	3,847,108	4,075,474	3,847,108
Social security costs	358,644	304,514	358,644	304,514
Other pension costs	371,002	339,064	371,002	339,064
	4,805,120	4,490,686	4,805,120	4,490,686

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

	2021 No.	2020 No.
Activities & sports	12	15
Administrative staff	19	21
Management staff	2	2
Teaching staff	56	52
Teaching assistants	41	40
Domestic catering	30	37
Finance	4	4
Maintenance & Cleaning	22	19
	186	190

The total remuneration for key management personnel (including NI) was £218,901 (2020: £208,026)

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	193,430	182,875
Company contributions to defined contribution pension plans	8,439	7,922
	<u>201,869</u>	<u>190,797</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

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

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	15,123	16,020
Other loan interest payable	2,364	6,890
	<u>17,487</u>	<u>22,910</u>

11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	99,428	108,004
	<u>99,428</u>	<u>108,004</u>
<b>Total current tax</b>	<u>99,428</u>	<u>108,004</u>
<b>Deferred tax</b>		
Fixed asset timing differences	101,407	80,135
	<u>101,407</u>	<u>80,135</u>
<b>Taxation on profit on ordinary activities</b>	<u>200,835</u>	<u>188,139</u>



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**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	161,384	685,437
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	30,663	130,233
<b>Effects of:</b>		
Fixed asset differences	50,525	30,040
Expenses not deductible for tax purposes	1,704	1,392
Additional deduction for land remediation expenditure	(3,470)	-
Adjustments to brought forward values	6,710	-
Adjustments to tax charge in respect of prior periods	(6,620)	264
Remeasurement of deferred tax for changes in tax rates	115,736	34,406
Movement in deferred tax not recognised	5,587	(8,196)
<b>Total tax charge for the year</b>	<b>200,835</b>	<b>188,139</b>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Freehold improvements £	Other fixed assets £
<b>Cost or valuation</b>					
At 1 September 2020	8,842,225	1,173,858	684,262	2,474,631	361,729
Additions	670,198	4,125	1,442	33,363	17,896
Disposals	-	-	-	(53,327)	-
At 31 August 2021	9,512,423	1,177,983	685,704	2,454,667	379,625
<b>Depreciation</b>					
At 1 September 2020	2,048,386	504,861	400,367	479,278	290,594
Charge for the year on owned assets	189,136	58,744	41,943	82,852	32,545
At 31 August 2021	2,237,522	563,605	442,310	562,130	323,139
<b>Net book value</b>					
At 31 August 2021	7,274,901	614,378	243,394	1,892,537	56,486
At 31 August 2020	6,793,839	668,997	283,895	1,995,353	71,135

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2020	13,536,705
Additions	727,024
Disposals	(53,327)
At 31 August 2021	<u>14,210,402</u>
<b>Depreciation</b>	
At 1 September 2020	3,723,486
Charge for the year on owned assets	405,220
At 31 August 2021	<u>4,128,706</u>
<b>Net book value</b>	
At 31 August 2021	<u>10,081,696</u>
At 31 August 2020	<u>9,813,219</u>

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Freehold improvement s £	Other fixed assets £
<b>Cost or valuation</b>					
At 1 September 2020	8,786,039	85,049	684,262	2,474,631	284,279
Additions	319,993	-	1,442	33,363	17,896
Disposals	-	-	-	(53,327)	-
At 31 August 2021	9,106,032	85,049	685,704	2,454,667	302,175
<b>Depreciation</b>					
At 1 September 2020	2,037,451	71,148	400,367	479,278	256,837
Charge for the year on owned assets	186,327	4,252	41,943	82,852	27,722
At 31 August 2021	2,223,778	75,400	442,310	562,130	284,559
<b>Net book value</b>					
At 31 August 2021	6,882,254	9,649	243,394	1,892,537	17,616
At 31 August 2020	6,748,588	13,901	283,895	1,995,353	27,442

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HIGHFIELD SCHOOL (LIPHOOK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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12. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 1 September 2020	12,314,260
Additions	372,694
Disposals	(53,327)
At 31 August 2021	<u>12,633,627</u>
<b>Depreciation</b>	
At 1 September 2020	3,245,081
Charge for the year on owned assets	343,096
At 31 August 2021	<u>3,588,177</u>
<b>Net book value</b>	
At 31 August 2021	<u>9,045,450</u>
At 31 August 2020	<u>9,069,179</u>

For the company, freehold improvements comprise the swimming pool complex with a net book value of £1,035,235 (2020: £1,065,070) and sports pitch of £857,302 (2020: £930,283)

For the company, other assets comprise computer equipment with a net book value of £17,616 (2020: £27,439).

Freehold property with a carrying amount of £6,882,254 (2020: £6,748,588) have been pledged to secure borrowings of the group.

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 13. Fixed Asset Investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 September 2020	100
At 31 August 2021	100

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Brookham Energy Limited	Highfield School, Liphook, GU30 7LQ	Energy Supplier	Ord	100%

### 14. Stocks

	Group 2021 £	Group 2020 Restated £	Company 2021 £	Company 2020 Restated £
Finished goods and goods for resale	115,358	108,378	70,534	74,316
	115,358	108,378	70,534	74,316

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

**HIGHFIELD SCHOOL (LIPHOOK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**15. Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	120,245	129,784	145,686	130,471
Amounts owed by group undertakings	-	-	352,230	-
Other debtors	148,966	2,502	93,497	2,625
Prepayments and accrued income	415,767	149,914	410,475	149,791
	<u>684,978</u>	<u>282,200</u>	<u>1,001,888</u>	<u>282,887</u>

**16. Cash and cash equivalents**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	15,925	55,570	1,024	12,323
Less: bank overdrafts	(575,081)	-	(575,081)	-
	<u>(559,156)</u>	<u>55,570</u>	<u>(574,057)</u>	<u>12,323</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	575,081	-	575,081	-
Bank loans	330,685	275,571	330,685	275,571
Trade creditors	302,574	204,909	241,604	205,208
Corporation tax	106,049	290,984	106,049	290,984
Other taxation and social security	156,042	139,979	156,042	139,979
Other creditors	252,150	380,331	252,150	380,208
Accruals and deferred income	1,178,689	926,566	1,169,653	923,348
	<u>2,901,270</u>	<u>2,218,340</u>	<u>2,831,264</u>	<u>2,215,298</u>

# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	221,301	524,429	221,301	524,429
Other creditors	391,541	194,705	391,541	194,705
	<u>612,842</u>	<u>719,134</u>	<u>612,842</u>	<u>719,134</u>

Flexible business loan facility of £800,000 with final repayment date of May 2023.

### Securities held

First Legal Charge dated 25 November 2011 over Freehold Property known as Highfield School, Highfield Lane, Liphook, Hampshire, GU30 7LQ

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 25 November 2011

### 19. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Amounts falling due within one year</b>				
Bank loans	330,685	275,571	330,685	275,571
	<u>330,685</u>	<u>275,571</u>	<u>330,685</u>	<u>275,571</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	221,301	524,429	221,301	524,429
	<u>221,301</u>	<u>524,429</u>	<u>221,301</u>	<u>524,429</u>
	<u>551,986</u>	<u>800,000</u>	<u>551,986</u>	<u>800,000</u>



# HIGHFIELD SCHOOL (LIPHOOK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 20. Deferred taxation

#### Group

	2021 £
At beginning of year	(374,238)
Charged to profit or loss	(101,407)
At end of year	<u>(475,645)</u>

#### Company

	2021 £
At beginning of year	(279,822)
Charged to profit or loss	(93,980)
At end of year	<u>(373,802)</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(475,645)	(374,238)	(373,802)	(279,822)
	<u>(475,645)</u>	<u>(374,238)</u>	<u>(373,802)</u>	<u>(279,822)</u>

### 21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
6,500 (2020 - 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 2021

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#### 23. Prior year adjustment

Previously, stock held by the subsidiary Brookham Energy Limited was not able to be reliably measured and therefore it was not recognised on the balance sheet. In the year ended 31 August 2021, management have recorded and measured the value of stock held at year end at £44,821.

A prior year adjustment has been made to recognise the estimated closing stock held of £34,062 as at 31 August 2020. This is based on an estimation of approximate stock as well as the average purchase price of stock in 2020. Brought forward reserves for Brookham Energy Limited have also been increased by £34,062 from £682,495 to £716,557. This translates to an increase in brought forward consolidated reserves from £6,913,589 to £6,947,651.

#### 24. Pension commitments

Pension contributions in the year for the provision of the defined contribution schemes were £371,002 (2020: £339,064). As at 31 August 2021, there was £56,439 (2020: £54,510) outstanding in respect of the current reporting period that had not been paid over to the scheme.

#### 25. Related party transactions

At the balance sheet date, the company owed £Nil (2020: £664) to S Mills, mother of W S Mills. During the year the company paid loan interest of £Nil (2020: £651) on the balance of the loan due to S Mills. S Mills paid rent of £11,100 (2020: £22,238) to the company for renting a property within the school grounds.

During the year, W S Mills supplied the company's subsidiary, Brookham Energy, with timber at market rate and charged £26,036 (2020: £24,188). £7,287 (2020: £5,122) of chippings were purchased at market rate by W S Mills from the company's subsidiary, Brookham Energy. Payment was made in full prior to the year end.

During the year, the company paid invoices of £37,915 (2020: £29,122) on behalf of W S Mills. This amount was repaid during the year.

During the year, the school made a directors loan of £84,160 to W S Mills. The loan of £84,160 is outstanding at 31 August 2021 and is due to be repaid in May 2022.

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

#### 26. Controlling party

The company was under the control of W S Mills.