

REGISTERED NUMBER: 06478925 (England and Wales)

**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**





**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>5</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Income Statement</b>	<b>8</b>
<b>Other Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JULY 2020**

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**DIRECTORS:**

J A L Sprenger  
C M Sprenger  
R A Sprenger

**SECRETARY:**

J A L Sprenger

**REGISTERED OFFICE:**

Highfield House  
Heavens Walk  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5HZ

**REGISTERED NUMBER:**

06478925 (England and Wales)

**AUDITORS:**

Smith Craven  
Chartered Accountants  
Statutory Auditors  
Sidings House  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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The directors present their Strategic Report for the Company for the year ended 31 July 2020.

**REVIEW OF BUSINESS**

The Company's principal activities are the provision of qualifications, products, end point assessment, remote investigation, and digital solution provision operating in the education market.

**RESULTS AND PERFORMANCE**

The results of the Company for the year, show a profit on ordinary activities before tax of £0.35m (2019: £0.2m). The shareholders' funds of the Company total £2.5m (2019: £2.2m).

The UK business continues to be the largest source of revenue for the Company.

The business has seen a decrease in turnover this year, purely due to COVID. However, we have been able to reduce costs and launch innovative new areas within the business. This has led to an increase in cash held in the bank.

**BUSINESS ENVIRONMENT**

The Qualification and Apprenticeship industries are highly competitive, particularly in the sectors where our business is focused. Of the 150 competitors in the market, Highfield sit in the top 5, all 5 of the leading organisations have a broad coverage of subject areas. Of the leading Awarding Organisations, Highfield is the only family business. There are several reasons for our success:

- i) Ability to remain Agile and make quick decisions in a market that is constantly changing;
- ii) Development and adaption of systems. Highfield has their own Internal IT development team which allows us to provide customised systems;
- iii) Complete focus on customer service, it truly is at the heart of everything that we do;
- iv) Complete one stop shop solution including qualifications, End Point Assessment, quality products, e-assessment, remote investigation, e-portfolio and customised systems.

**STRATEGY**

The Company's success is dependent on the proper selection, pricing and ongoing management of the risks it accepts.

In the Qualifications market, we have continued to consolidate our position. We believe it is important to retain a diversified portfolio of risks in order to achieve maximum profitability in this highly competitive marketplace. As the work-based learning business diminished we were at the forefront regarding entry in the replacement market in Apprenticeships. We employed the best people available in the market to lead this team and invested heavily in the right technology to support our offer. Our introduction of a market leading digital product range to support the apprenticeships has given us an excellent USP over our competitors.

The Company will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments. Highfield will continue to drive efficiencies particularly in the Apprenticeship market.

**KEY PERFORMANCE INDICATORS ('KPIs')**

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Company by reference to the following KPIs:

Accuracy of sales and distribution  
Turnover  
Profitability  
Sector pass rates  
Regulatory requirements  
Customer satisfaction



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management.

Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance team and finance department take on an important oversight role in this regard. The Company has developed a framework for identifying the risks that each business sector, and the Company as a whole, is exposed to and their impact on economic equity.

The principal risks from our business arise from:

i) Meeting regulatory requirements - Highfield have an excellent relationship with all our regulating bodies and are often mentioned as market leading in these areas. We sit on many of the key forums and ensure that we are always well placed to adapt to any regulatory changes.

ii) Government policy change - Although always a risk, all the government parties are extremely supportive of the apprenticeship market and vocational qualifications. We have a large range of qualifications across many sectors, this diminishes the risk if one of these sectors is affected by policy change.

iii) Improved competitor performance - we must ensure that we improve in all of the key areas of customers service, product development, qualification development and system provision. We have a director team that is extremely agile and have developed a very clear strategy to concentrate on key areas that will allow us to continue to grow and increase market share.

iv) COVID 19 - Many of our customers operate in the retail, hospitality and airline industries, this has led to a decrease in turnover. As a truly digital focused organisation we have been able to support our customers with a number of online options. In March 2020 we made some important significant decisions which has allowed us to supplement turnover and save costs. These included:

- 1) Reduction of workforce to meet market requirements.
- 2) Movement of team members into new areas of the business.
- 3) Launch of our new e-portfolio system to allow learners to manage longer and shorter course content and communication online.
- 4) Launch of our Qualify at Home service which now supports over 1000 learners a week to complete Highfield invigilated exams online.
- 5) Furlough staff in certain areas of the business as required.
- 6) An aggressive business development strategy to win new business from competitors who closed or downsized.
- 7) Government business loan, however, we have not needed this and are looking to pay this back early.
- 8) Worked with regulatory bodies to agree the use of remote assessment for End Point Assessment.
- 9) Extra promotion of elearning and digital format Apprentikits to support remote learning.

Highfield has worked hard over the past 10 years to diversify into many new areas giving us a broad range of products and services. This has been key to growth, however, also to mitigating risk so we are not dependent on a small number of areas of potential failure.



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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**FUTURE DEVELOPMENTS**

The directors look forward to building on the historic growth and profitability that the Company has achieved and continue to seek new opportunities to benefit the business. As well as growth in the Apprenticeship market, we are also looking to enter the new market of Technical Qualifications. However, from a risk point of view, we are planning that we will not be successful so there is no risk to the company if we are not accepted into this new area. Highfield will continue to support digital solutions and are very well placed to embrace the opportunities arising online.

**ON BEHALF OF THE BOARD:**



C M Sprenger - Director

25 February 2021



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2020**

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The directors present their Report with the financial statement of Company for the year ended 31 July 2019.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 July 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

J A L Sprenger  
C M Sprenger  
R A Sprenger

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Smith Craven, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



C M Sprenger - Director

25 February 2021



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED**

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**Opinion**

We have audited the financial statements of Highfield Awarding Body for Compliance Limited (the 'company') for the year ended 31 July 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 company's affairs as at 31 July 2020 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page five, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

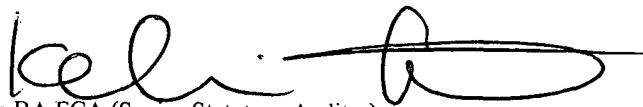
**Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors 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 Report of the Auditors.

**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 a Report of the Auditors 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.



Kelvin Fitton BA FCA (Senior Statutory Auditor)

for and on behalf of Smith Craven

Chartered Accountants

Statutory Auditors

Sidings House

Sidings Court

Lakeside

Doncaster

South Yorkshire

DN4 5NU

25 February 2021



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	3	11,465,505	11,557,911
Cost of sales		1,379,107	1,533,151
<b>GROSS PROFIT</b>		10,086,398	10,024,760
Administrative expenses		10,734,882	9,885,470
		(648,484)	139,290
Other operating income		996,939	101,676
<b>OPERATING PROFIT</b>	5	348,455	240,966
Interest receivable and similar income		5	5
<b>PROFIT BEFORE TAXATION</b>		348,460	240,971
Tax on profit	6	52,192	58,886
<b>PROFIT FOR THE FINANCIAL YEAR</b>		296,268	182,085

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		296,268	182,085
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>296,268</u>	<u>182,085</u>

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**BALANCE SHEET  
31 JULY 2020**

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	7	337,441	949,514
Tangible assets	8	500,764	396,563
		<u>838,205</u>	<u>1,346,077</u>
<b>CURRENT ASSETS</b>			
Stocks	9	86,372	88,611
Debtors	10	3,269,260	4,401,653
Cash at bank and in hand		3,622,760	1,656,572
		<u>6,978,392</u>	<u>6,146,836</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	4,041,530	3,982,811
<b>NET CURRENT ASSETS</b>		<u>2,936,862</u>	<u>2,164,025</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,775,067</u>	<u>3,510,102</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(1,158,485)	(1,212,822)
<b>PROVISIONS FOR LIABILITIES</b>	14	(84,638)	(61,604)
<b>NET ASSETS</b>		<u><u>2,531,944</u></u>	<u><u>2,235,676</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	100	100
Retained earnings	16	2,531,844	2,235,576
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,531,944</u></u>	<u><u>2,235,676</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2021 and were signed on its behalf by:



C M Sprenger - Director

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2018</b>	100	2,053,491	2,053,591
<b>Changes in equity</b>			
Total comprehensive income	-	182,085	182,085
<b>Balance at 31 July 2019</b>	100	2,235,576	2,235,676
<b>Changes in equity</b>			
Total comprehensive income	-	296,268	296,268
<b>Balance at 31 July 2020</b>	100	2,531,844	2,531,944

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,346,509	181,014
Tax paid		(14,908)	(246,849)
<b>Net cash from operating activities</b>		<u>2,331,601</u>	<u>(65,835)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(382,245)
Purchase of tangible fixed assets		(365,418)	(236,674)
Sale of tangible fixed assets		-	1
Interest received		5	5
<b>Net cash from investing activities</b>		<u>(365,413)</u>	<u>(618,913)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,966,188</u>	<u>(684,748)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,656,572	2,341,320
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,622,760</u></u>	<u><u>1,656,572</u></u>

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Profit before taxation	348,460	240,971
Depreciation charges	873,292	768,935
Loss on disposal of fixed assets	-	961
Finance income	(5)	(5)
	<u>1,221,747</u>	<u>1,010,862</u>
Decrease in stocks	2,239	15,967
Decrease/(increase) in trade and other debtors	1,132,391	(1,753,040)
(Decrease)/increase in trade and other creditors	(9,868)	907,225
	<u>2,346,509</u>	<u>181,014</u>
<b>Cash generated from operations</b>	<u><u>2,346,509</u></u>	<u><u>181,014</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 July 2020**

	31/7/20	1/8/19
	£	£
Cash and cash equivalents	<u>3,622,760</u>	<u>1,656,572</u>

**Year ended 31 July 2019**

	31/7/19	1/8/18
	£	£
Cash and cash equivalents	<u>1,656,572</u>	<u>2,341,320</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/8/19	Cash flow	At 31/7/20
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	1,656,572	1,966,188	3,622,760
	<u>1,656,572</u>	<u>1,966,188</u>	<u>3,622,760</u>
<b>Total</b>	<u><u>1,656,572</u></u>	<u><u>1,966,188</u></u>	<u><u>3,622,760</u></u>

The notes form part of these financial statements



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**1. STATUTORY INFORMATION**

Highfield Awarding Body for Compliance Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Companies Act 2006. The financial statements have been prepared on a going concern basis, under the historical cost convention.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- Straight line over 3 years

**Government grants**

Grant income relating to revenue is recognised on an accruals basis. Income is recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs is recognised in income in the period in which it becomes receivable.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	10,140,758	10,105,687
Middle East	1,324,747	1,452,224
	<u>11,465,505</u>	<u>11,557,911</u>

**4. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	6,537,826	6,508,983
Social security costs	414,686	318,409
Other pension costs	370,479	267,394
	<u>7,322,991</u>	<u>7,094,786</u>



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2020	2019
Operational	24	115
Dubai	20	21
IT	6	7
Administration	121	29
	<u>171</u>	<u>172</u>

	2020	2019
	£	£
Directors' remuneration	1,163,325	2,221,116
Directors' pension contributions to money purchase schemes	15,030	12,108
	<u>1,178,355</u>	<u>2,233,224</u>

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	1,068,825	2,143,200
	<u>1,068,825</u>	<u>2,143,200</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	3,324	3,100
Other operating leases	459,170	307,225
Depreciation - owned assets	261,217	153,469
Loss on disposal of fixed assets	-	961
Computer software amortisation	612,073	615,466
Auditors' remuneration	5,000	5,000
Foreign exchange differences	41,137	(49,678)
	<u>1,382,921</u>	<u>1,635,523</u>



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	29,158	14,908
Underprovision in earlier year	-	(16)
R & D corporation tax refunds	-	24,283
	<u>29,158</u>	<u>39,175</u>
Total current tax	29,158	39,175
Deferred tax	23,034	19,711
	<u>52,192</u>	<u>58,886</u>
Tax on profit	<u>52,192</u>	<u>58,886</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>348,460</u>	<u>240,971</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	66,207	45,784
Effects of:		
Expenses not deductible for tax purposes	-	5,184
Income not taxable for tax purposes	(17,527)	(11,793)
Depreciation in excess of capital allowances	3,512	19,711
	<u>52,192</u>	<u>58,886</u>
Total tax charge	<u>52,192</u>	<u>58,886</u>



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**7. INTANGIBLE FIXED ASSETS**

	Computer software £
<b>COST</b>	
At 1 August 2019 and 31 July 2020	1,930,964
<b>AMORTISATION</b>	
At 1 August 2019	981,450
Amortisation for year	612,073
At 31 July 2020	1,593,523
<b>NET BOOK VALUE</b>	
At 31 July 2020	337,441
At 31 July 2019	949,514

**8. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2019	91,126	293,559	42,400	392,042	819,127
Additions	25,147	141,235	107,280	91,756	365,418
At 31 July 2020	116,273	434,794	149,680	483,798	1,184,545
<b>DEPRECIATION</b>					
At 1 August 2019	58,436	194,469	883	168,776	422,564
Charge for year	12,704	55,809	37,420	155,284	261,217
At 31 July 2020	71,140	250,278	38,303	324,060	683,781
<b>NET BOOK VALUE</b>					
At 31 July 2020	45,133	184,516	111,377	159,738	500,764
At 31 July 2019	32,690	99,090	41,517	223,266	396,563

**9. STOCKS**

	2020 £	2019 £
Stocks	86,372	88,611



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	1,160,492	2,018,704
Other debtors	1,965,493	2,162,963
Prepayments	143,275	219,986
	<u>3,269,260</u>	<u>4,401,653</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	210,715	320,690
Tax	29,158	14,908
VAT	264,868	174,090
Other creditors	1,176,520	1,009,977
Directors loan account	2,283,688	2,294,204
Accrued expenses	76,581	168,942
	<u>4,041,530</u>	<u>3,982,811</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Directors loan account	1,150,000	1,150,000
Grants	8,485	62,822
	<u>1,158,485</u>	<u>1,212,822</u>

**13. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	179,525	139,858
Between one and five years	593,451	264,789
In more than five years	397,500	-
	<u>1,170,476</u>	<u>404,647</u>

**14. PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax	<u>84,638</u>	<u>61,604</u>



**HIGHFIELD AWARDING BODY FOR COMPLIANCE  
LIMITED (REGISTERED NUMBER: 06478925)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2020**

**14. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 August 2019	61,604
Accelerated capital allowances	23,034
	<u>84,638</u>
Balance at 31 July 2020	<u>84,638</u>

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

**16. RESERVES**

	Retained earnings £
At 1 August 2019	2,235,576
Profit for the year	296,268
	<u>2,531,844</u>
At 31 July 2020	<u>2,531,844</u>

**17. CONTINGENT LIABILITIES**

The company together with Highfield Products Limited and Highfield Elearning Limited have given Barclays Bank plc a cross guarantee and debenture between the company and ISPR Limited. As at 31 July 2020 the amount of bank borrowing was £3,531,018 (2019: £3,655,723).

**18. CAPITAL COMMITMENTS**

	2020	2019
	£	£
Contracted but not provided for in the financial statements	-	119,266
	<u>-</u>	<u>119,266</u>

**19. RELATED PARTY DISCLOSURES**

Amounts due by companies under common control of the directors £1,954,132 (2019: £2,104,100)  
Amounts due to companies under common control of the directors: £770,885 (2019: £711,981).  
The loans are interest free with no set repayment date.

**20. GOVERNMENT ASSISTANCE**

During the year the company has received grant income under HM Government Coronavirus Job Retention Scheme totalling £834,693. No grant income was received in 2019. Amounts recognised are included in Other Income.