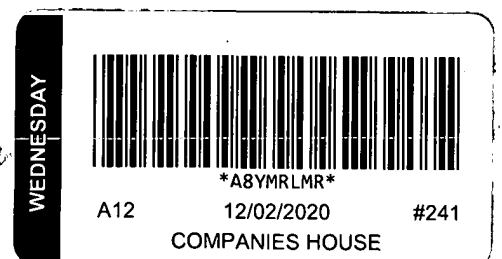


REGISTERED NUMBER: 06478925 (England and Wales)

**HIGHFIELD AWARDING BODY FOR COMPLIANCE
LIMITED**

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

FOR THE YEAR ENDED 31 JULY 2019



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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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**HIGHFIELD AWARDING BODY FOR COMPLIANCE
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2019**

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 2019**

The directors present their Strategic Report for the Company for the year ended 31 July 2019.

REVIEW OF BUSINESS

The Company's principal activity is the provision of qualifications, products and end point assessment 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 £0.2m (2018: Profit/(Loss) of £1.3m). The shareholders' funds of the Company total £2.2m (2018: £2.0m). The performance of the Company during 2019 has produced encouraging results.

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

The business has had significant growth and turnover increase this year. Qualifications and Products have increased by small margins where the Apprenticeship market has provided the greatest increase.

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 and has enjoyed the largest growth over the past 10 years. 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 than we do;
- iv) Complete one stop shop solution including qualifications, End Point Assessment, quality products, e-assessment, e-portfolio and customised systems.

Many companies offer similar coverage, giving rise to aggressive pricing structures.

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2019**

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 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

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.

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 2019**

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. We have employed a Director who is one of the industry's leading experts in this area and he is developing an offer for us to compete in this area. 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.

ON BEHALF OF THE BOARD:


.....
C M Sprenger - Director

Date: 1/2/2020.....

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2019**

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 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2018 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

Date: 1/2/2020

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

Opinion

We have audited the financial statements of Highfield Awarding Body for Compliance Limited (the 'company') for the year ended 31 July 2019 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 2019 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 AWARDDING BODY FOR COMPLIANCE
LIMITED**

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. 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

Date: 11/2/2020

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2019**

	Notes	2019 £	2018 £
TURNOVER	3	11,557,911	10,198,333
Cost of sales		1,533,151	858,999
GROSS PROFIT		10,024,760	9,339,334
Administrative expenses		9,885,470	8,199,106
		139,290	1,140,228
Other operating income		101,676	167,796
OPERATING PROFIT	5	240,966	1,308,024
Interest receivable and similar income		5	4
		240,971	1,308,028
Interest payable and similar expenses	6	-	1,030
PROFIT BEFORE TAXATION		240,971	1,306,998
Tax on profit	7	58,886	244,890
PROFIT FOR THE FINANCIAL YEAR		182,085	1,062,108

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 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		182,085	1,062,108
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>182,085</u>	<u>1,062,108</u>

The notes form part of these financial statements

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

**BALANCE SHEET
31 JULY 2019**

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		949,514		1,182,735
Tangible assets	9		396,563		314,320
			<u>1,346,077</u>		<u>1,497,055</u>
CURRENT ASSETS					
Stocks	10	88,611		104,578	
Debtors	11	4,401,653		2,648,613	
Cash at bank and in hand		1,656,572		2,341,320	
		<u>6,146,836</u>		<u>5,094,511</u>	
CREDITORS					
Amounts falling due within one year	12	3,982,811		3,783,042	
NET CURRENT ASSETS					
			<u>2,164,025</u>		<u>1,311,469</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			3,510,102		2,808,524
CREDITORS					
Amounts falling due after more than one year	13		(1,212,822)		(713,040)
PROVISIONS FOR LIABILITIES					
	15		(61,604)		(41,893)
NET ASSETS					
			<u>2,235,676</u>		<u>2,053,591</u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Retained earnings	17		2,235,576		2,053,491
SHAREHOLDERS' FUNDS					
			<u>2,235,676</u>		<u>2,053,591</u>

The financial statements were approved by the Board of Directors on 1/2/2020 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 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2017	100	991,383	991,483
Changes in equity			
Total comprehensive income	-	1,062,108	1,062,108
Balance at 31 July 2018	<u>100</u>	<u>2,053,491</u>	<u>2,053,591</u>
Changes in equity			
Total comprehensive income	-	182,085	182,085
Balance at 31 July 2019	<u><u>100</u></u>	<u><u>2,235,576</u></u>	<u><u>2,235,676</u></u>

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 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	181,014	1,874,970
Interest paid		-	(1,030)
Tax paid		<u>(246,849)</u>	<u>(223,239)</u>
Net cash from operating activities		<u>(65,835)</u>	<u>1,650,701</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(382,245)	(1,153,238)
Purchase of tangible fixed assets		(236,674)	(292,233)
Sale of tangible fixed assets		1	-
Interest received		5	4
Net cash from investing activities		<u>(618,913)</u>	<u>(1,445,467)</u>
(Decrease)/increase in cash and cash equivalents		(684,748)	205,234
Cash and cash equivalents at beginning of year	2	2,341,320	2,136,086
Cash and cash equivalents at end of year	2	<u>1,656,572</u>	<u>2,341,320</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 2019**

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

	2019	2018
	£	£
Profit before taxation	240,971	1,306,998
Depreciation charges	768,935	444,697
Loss on disposal of fixed assets	961	498
Finance costs	-	1,030
Finance income	(5)	(4)
	1,010,862	1,753,219
Decrease/(increase) in stocks	15,967	(42,016)
Increase in trade and other debtors	(1,753,040)	(753,376)
Increase in trade and other creditors	907,225	917,143
	181,014	1,874,970
Cash generated from operations	181,014	1,874,970

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 2019

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

Year ended 31 July 2018

	31/7/18	1/8/17
	£	£
Cash and cash equivalents	2,341,320	2,136,086
	2,341,320	2,136,086

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 2019**

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	- 33% on cost

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

2. ACCOUNTING POLICIES - continued

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.

Government grants

Government grants are credited to the profit and loss account in the same period as the expenditure towards which they are expected to contribute.

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:

	2019 £	2018 £
United Kingdom	10,105,687	8,955,942
Middle East	1,452,224	1,242,391
	<u>11,557,911</u>	<u>10,198,333</u>

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	6,508,983	5,611,855
Social security costs	318,409	213,770
Other pension costs	267,394	159,586
	<u>7,094,786</u>	<u>5,985,211</u>

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

	2019	2018
Operational	115	103
Dubai	21	21
IT	7	7
Administration	29	30
	<u>172</u>	<u>161</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

4. EMPLOYEES AND DIRECTORS - continued

	2019	2018
	£	£
Directors' remuneration	2,221,116	2,406,182
Directors' pension contributions to money purchase schemes	12,108	9,060
	<u>2,233,224</u>	<u>2,415,242</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	2,143,200	2,340,182
	<u>2,143,200</u>	<u>2,340,182</u>

5. OPERATING PROFIT

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

	2019	2018
	£	£
Hire of plant and machinery	3,100	3,182
Other operating leases	307,225	248,023
Depreciation - owned assets	153,469	110,293
Loss on disposal of fixed assets	961	498
Computer software amortisation	615,466	334,404
Auditors' remuneration	5,000	-
Foreign exchange differences	(49,678)	6,091
	<u>1,535,583</u>	<u>1,702,591</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	-	1,030
	<u>-</u>	<u>1,030</u>

7. TAXATION

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	14,908	222,582
Underprovision in earlier year	(16)	-
R & D corporation tax refunds	24,283	-
Withholding tax	-	656
Total current tax	<u>39,175</u>	<u>223,238</u>
Deferred tax	19,711	21,652
Tax on profit	<u>58,886</u>	<u>244,890</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Profit before tax	<u>240,971</u>	<u>1,306,998</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	45,784	248,330
Effects of:		
Expenses not deductible for tax purposes	5,184	3,085
Income not taxable for tax purposes	(16,349)	(7,181)
Adjustments to tax charge in respect of previous periods	24,267	-
Withholding taxes	-	656
Total tax charge	<u>58,886</u>	<u>244,890</u>

8. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 August 2018	1,548,719
Additions	<u>382,245</u>
At 31 July 2019	<u>1,930,964</u>
AMORTISATION	
At 1 August 2018	365,984
Amortisation for year	<u>615,466</u>
At 31 July 2019	<u>981,450</u>
NET BOOK VALUE	
At 31 July 2019	<u>949,514</u>
At 31 July 2018	<u>1,182,735</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2018	85,667	253,588	-	276,982	616,237
Additions	7,197	43,994	42,400	143,083	236,674
Disposals	(1,738)	(4,023)	-	(28,023)	(33,784)
At 31 July 2019	<u>91,126</u>	<u>293,559</u>	<u>42,400</u>	<u>392,042</u>	<u>819,127</u>
DEPRECIATION					
At 1 August 2018	49,739	166,577	-	85,601	301,917
Charge for year	10,252	31,594	883	110,740	153,469
Eliminated on disposal	(1,555)	(3,702)	-	(27,565)	(32,822)
At 31 July 2019	<u>58,436</u>	<u>194,469</u>	<u>883</u>	<u>168,776</u>	<u>422,564</u>
NET BOOK VALUE					
At 31 July 2019	<u>32,690</u>	<u>99,090</u>	<u>41,517</u>	<u>223,266</u>	<u>396,563</u>
At 31 July 2018	<u>35,928</u>	<u>87,011</u>	<u>-</u>	<u>191,381</u>	<u>314,320</u>

10. STOCKS

	2019 £	2018 £
Stocks	<u>88,611</u>	<u>104,578</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	2,018,704	2,068,807
Other debtors	-	62,329
Purchase ledger dr balances	20,075	1,680
Dubai refundable deposits	18,912	14,453
ISPR Limited	2,104,100	237,619
Exchange rate differences	19,876	-
Train2Train	-	108,140
Prepayments	219,986	155,585
	<u>4,401,653</u>	<u>2,648,613</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	320,690	243,494
Tax	14,908	222,582
VAT	174,090	223,451
Sales ledger cr balances	200,736	192,752
CS directors loan account	203,421	-
JAS directors loan account	764,748	15,040
RS directors loan account	1,326,034	2,248,537
Highfield International	651,258	339,461
Highfield Elearning Ltd	59,422	98,564
Highfield R & A Ltd	1,300	114,185
Sheffield City grant	93,333	75,418
Other creditors	3,927	-
Late entered invoices	25,445	-
Accrued expenses	143,499	9,558
	<u>3,982,811</u>	<u>3,783,042</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
CS directors loan account	550,000	-
JAS directors loan account	550,000	550,000
RS directors loan account	50,000	50,000
Sheffield City grant	62,822	113,040
	<u>1,212,822</u>	<u>713,040</u>

14. LEASING AGREEMENTS

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

	2019	2018
	£	£
Within one year	139,858	-
Between one and five years	264,789	-
	<u>404,647</u>	<u>-</u>

15. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	<u>61,604</u>	<u>41,893</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2019**

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 August 2018	41,893
Accelerated capital allowances	19,711
	<u>61,604</u>
Balance at 31 July 2019	<u><u>61,604</u></u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2019	2018
Number:	Class:	value:	£	£
100	Ordinary	£1	100	100

17. RESERVES

	Retained earnings £
At 1 August 2018	2,053,491
Profit for the year	182,085
	<u>2,235,576</u>
At 31 July 2019	<u><u>2,235,576</u></u>

18. 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 2019 the amount of bank borrowing was £3,655,723 (2018:nil).

19. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	119,266	-

20. RELATED PARTY DISCLOSURES

Amounts due by companies under common control of the directors £2,104,100 (2018 - £237,757)
 Amounts due to companies under common control of the directors £24,038 (2018 - £1,058,919).
 The loans are interest free with no set repayment date.