



**COMMUNITY SCHOOLS HOLDINGS LIMITED**

**AUDITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2021**



**COMMUNITY SCHOOLS HOLDINGS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

Mr A. T. S. Parry  
Mr A. W. Hopps

**COMPANY SECRETARY**

Mr A. T. S. Parry

**REGISTERED NUMBER**

SC210980

**REGISTERED OFFICE**

Dundas & Wilson LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

**INDEPENDENT AUDITORS**

Wellden Turnbull Limited  
Chartered Accountants & Statutory Auditors  
Albany House  
Claremont Lane  
Esher  
Surrey  
KT10 9FQ

**COMMUNITY SCHOOLS HOLDINGS LIMITED**

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## **COMMUNITY SCHOOLS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was as a parent Company of a trading Company designing, constructing, financing, maintaining and providing building management services for schools under the Government's Private Finance Initiative ("PFI").

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £500,000 (2020 - £151,500).

Dividends of £500,000 (2020 - £151,500) were paid during the year and the directors have not recommended a final dividend to be paid (2020 - £nil).

#### **DIRECTORS**

The directors who served during the year were:

**POST BALANCE SHEET EVENTS**

Subsequent to the year end date, global economies and financial markets have continued to be affected by the uncertainties arising from the COVID-19 virus pandemic. The Company's subsidiary earns income from a PFI contract with The Highland Council which matures 2027. The Directors have assessed the impact and risk of the current market conditions on the Company and do not believe these to be material in nature. Details of the Directors going concern assessment are included in note 2.4.

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

**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'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's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

**Mr A. T. S. Parry**  
Director

Date: 6 December 2021

## **OPINION**

We have audited the financial statements of Community Schools Holdings Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of income and retained earnings, the Balance sheet 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 Company's affairs as at 31 March 2021 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 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 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.

## **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.



## **COMMUNITY SCHOOLS HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY SCHOOLS HOLDINGS LIMITED (CONTINUED)**

#### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY SCHOOLS HOLDINGS LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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:

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- Enquiry of management and those charged with governance as to actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
- Assessing the reasonableness of interest receivable and payable recognised in the period based on contractual terms and obligations and the requirement of accounting standards;
- Reviewing and challenging the underlying assumptions and valuation methodology used for the valuation of the Company's group loans including assessing the reasonableness of valuation inputs and assumptions in the context of market available data to assess for indicators of management bias;
- Reviewing the tax provisions of the Company with the assistance of our independent tax specialists; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Nelligan FCA (Senior statutory auditor)

for and on behalf of

**Wellden Turnbull Limited**

Chartered Accountants  
Statutory Auditors

Albany House  
Claremont Lane  
Esher  
Surrey  
KT10 9FQ

Date: 6 December 2021

COMMUNITY SCHOOLS HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2021

		2021 £	2020 £
Income from shares in group undertakings		500,000	151,500
<b>PROFIT BEFORE TAX</b>		<u>500,000</u>	<u>151,500</u>
Tax on profit	4	-	-
<b>PROFIT AFTER TAX</b>		<u><u>500,000</u></u>	<u><u>151,500</u></u>
Profit for the year		500,000	151,500
Dividends declared and paid		(500,000)	(151,500)
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u><u>-</u></u>	<u><u>-</u></u>
The notes on pages 9 to 12 form part of these financial statements.			

**COMMUNITY SCHOOLS HOLDINGS LIMITED**  
**REGISTERED NUMBER:SC210980**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investments	6	198	198
<b>NET ASSETS</b>		<u>198</u>	<u>198</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	198	198
<b>SHAREHOLDERS' FUNDS</b>		<u>198</u>	<u>198</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

**Mr A. T. S. Parry**  
Director

Date: 6 December 2021

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

**1. GENERAL INFORMATION**

Community Schools Holdings Limited is a private Company, limited by shares, incorporated in Scotland, registered number SC210980. The registered office is Dundas & Wilson LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

**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 Section 1A of 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 management to exercise judgement in applying the Company's accounting policies.

The financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £.

The following principal accounting policies have been applied:

**2.2 Compliance With Accounting Standards**

The accounts have been prepared in accordance with the provisions of FRS 102. There were no material departures from the standard.

**2.3 Financial Reporting Standard 102 - Reduced Disclosure Exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cardale PFI Investments Limited as at 31 March 2021 and these financial statements may be obtained from 4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY.

COMMUNITY SCHOOLS HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Going concern

The financial statements have been prepared on a going concern basis. The Company's subsidiary is profitable and generates sufficient cash from operations to meet its liabilities as they fall due. In assessing the appropriateness of the going concern basis of preparation, the Directors have taken into account the key risks of the business, including the uncertainty in relation to the impact of COVID-19. In doing so the Directors have considered the subsidiary Company's business model and availability of cash resources. The Directors have prepared projected cash flow information for at least twelve months from the date of their approval of these financial statements. On the basis of this cash flow information, the Directors consider that the subsidiary Company will continue to operate within the long term facility currently agreed. In addition, during the operational phase of the project, sufficient cash flow is projected to be generated to allow the subsidiary Company to continue to meet its liabilities as they fall due for payment.

The subsidiary Company's senior loan is repayable by 31 July 2025 and is supported by the future cash flows from a PFI contract with The Highland Council which matures 2027. Furthermore, the balance sheet asset position is driven down by the historic swap positions which are significantly out of the money. It is not the intention of management to close out these instruments before their maturity date and the required cash flows to service the swaps are built into forward cash flow models supporting management's going concern assessment. Having undertaken this assessment the Directors consider it is appropriate to prepare the financial statements on a going concern basis.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

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

	2021 No.	2020 No.
Directors	<u>2</u>	<u>2</u>

During the year, no director received any emoluments (2020 - £nil).

COMMUNITY SCHOOLS HOLDINGS LIMITED

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

4. TAXATION

2021	2020
£	£

Current tax on profits for the year

-

#### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

#### 5. DIVIDENDS

	2021 £	2020 £
Dividends paid	<u>500,000</u>	<u>151,500</u>

#### 6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>COST</b>	
At 1 April 2020	198
At 31 March 2021	<u>198</u>

#### SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Community Schools (Highlands) Limited	Dundas & Wilson LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.	Ordinary	100%

#### Principal activities

Designing, constructing, financing, maintaining and providing building management services for schools under the Government's Private Finance Initiative ("PFI").





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

**7. SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
198 (2020 - 198) Ordinary shares of £1.00 each	<u>198</u>	<u>198</u>

**8. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of FRS102 section 33 paragraph 1A not to disclose transactions with wholly owned group members.

**9. POST BALANCE SHEET EVENTS**

Subsequent to the year end, global economies have continued to be affected by the negative financial impact of the spread of the COVID-19 virus pandemic. This is considered a non-adjusting event at the year end date and details of the Directors' going concern assessments are included in note 2.4.

**10. CONTROLLING PARTY**

The company's immediate parent undertaking is Civic PFI Investments Limited.

The ultimate parent undertaking and controlling party is Cardale PFI Investments Limited. Consolidated financial statements are available from the registered office at 4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY.