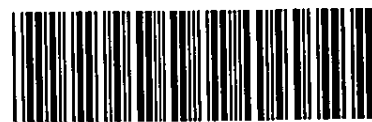


COMMUNITY SCHOOLS (HIGHLANDS) LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED
31 JULY 2011

Company Registration Number SC210981

SATURDAY



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07/01/2012

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COMPANIES HOUSE



LEVICKS

Chartered Accountants and Business Advisers

COMMUNITY SCHOOLS (HIGHLANDS) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2011

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COMMUNITY SCHOOLS (HIGHLANDS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO COMMUNITY SCHOOLS (HIGHLANDS) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Community Schools (Highlands) Limited for the year ended 31 July 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



J WILLIAMSON (Senior Statutory
Auditor)
For and on behalf of
LEVICKS
Chartered Accountants & Business Advisers
& Statutory Auditor

61 London Road
Maidstone
Kent
ME16 8TX


3 January 2012

COMMUNITY SCHOOLS (HIGHLANDS) LIMITED**ABBREVIATED BALANCE SHEET****31 JULY 2011**

	Note	2011 £	2010 £
CURRENT ASSETS			
Debtors	2	15,035,357	15,488,801
Cash at bank and in hand		<u>1,703,173</u>	<u>1,301,913</u>
		16,738,530	16,790,714
CREDITORS: Amounts falling due within one year		<u>1,061,431</u>	<u>860,682</u>
NET CURRENT ASSETS		<u>15,677,099</u>	<u>15,930,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,677,099	15,930,032
CREDITORS: Amounts falling due after more than one year	3	13,485,987	14,187,087
PROVISIONS FOR LIABILITIES		<u>1,521,012</u>	<u>1,285,647</u>
		<u>670,100</u>	<u>457,298</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	1	1
Share premium account		197	197
Profit and loss account		<u>669,902</u>	<u>457,100</u>
SHAREHOLDERS' FUNDS		<u>670,100</u>	<u>457,298</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 22/12/2011, and are signed on their behalf by:


C J TANNER

Company Registration Number: SC210981

COMMUNITY SCHOOLS (HIGHLANDS) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 JULY 2011****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Finance lease debtor

Costs incurred in the construction of the schools have been accounted for under Financial Reporting Standard (FRS) 5, 'Reporting the substance of transactions' Application note F. Applying the guidance within the Application Note indicates that the project's principal agreements transferred all the risks and rewards of the ownership to the Highland Council. On that basis, all construction costs incurred on the project, including interest on finance up to the date of commission have been included as a finance debtor. This amount represents the total amount outstanding under the agreement less unearned interest. Finance lease income is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease.

2. DEBTORS

Debtors include amounts of £14,494,585 (2010 - £14,995,470) falling due after more than one year.

3. CREDITORS: Amounts falling due after more than one year

Included within creditors falling due after more than one year is an amount of £10,816,661 (2010 - £11,590,477) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

COMMUNITY SCHOOLS (HIGHLANDS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2011

4. RELATED PARTY TRANSACTIONS

The company was under the control of Community Schools (Holdings) Limited throughout the current and previous year. Community Schools (Holdings) Limited is the parent company.

HPFI Finance s.a.r.l are providing a subordinated debt facility to Community Schools (Highlands) Limited. The initial value of the facility was £1,949,500 and the debt is being provided at an interest rate of 16% per annum. Interest paid during the year is £227,542 (2010 - £239,972). At the year end £1,373,717 (2010 - £1,437,589) was outstanding to HPFI Finance s.a.r.l.

5. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

6. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Community Schools (Holdings) Limited, a company incorporated in Scotland, which is the company that heads the smallest higher group of undertakings for which group accounts could be prepared.

The ultimate parent undertaking and controlling party is Henderson PFI Secondary Fund L.P., a partnership registered in England.