Gateway School Limited

Registered Number: 06636821 (England and Wales)

Report and Audited Financial Statements
Year ended 31 August 2016

WEDNESDAY

L67LSZR4
LD2 31/05/2017 #257
COMPANIES HOUSE

Gateway School Limited

Annual Accounts for the Year Ended 31 August 2016

Contents	Page
Company details	2
Balance sheet	3
Notes to the accounts	4 to 11

Company details

Registered number	06636821 (England and Wales)
Registered office	1 Wolsey Road, East Molesey, Surrey, KT8 9EL.
Directors	Mark Malley Steven Wade
Auditor	KINGSTON SMITH LLP Devonshire House 60 Goswell Road London EC1M 7AD

BALANCE SHEET
at 31 August 2016
(Company Number: 06636821)

	Notes	2016	2015
		£	£
Fixed assets			
Intangible assets	*3*	962,500	1,050,000
Tangible assets	*4*	793,956	831,161
		1,756,456	1,881,161
Current assets			
Debtors	*5*	975,014	988,734
Cash at bank and in hand		30,063	42,359
		1,005,077	1,031,093
Creditors: amounts falling due within one year	*6*	(2,484,992)	(594,963)
Net current (liabilities)/assets		(1,479,915)	436,130
Total assets less current liabilities		276,541	2,317,291
Provisions for liabilities and charges	*7*	(21,738)	(22,397)
Net assets		254,803	2,294,894
Capital and reserves			
Called up share capital	*8*	1,000	1,000
Profit and loss account	*9*	253,803	2,293,894
Shareholders' funds		254,803	2,294,894

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 section 1A.

Approved by the Board of Directors on 30.05 2017 and signed on behalf of the Board of Directors.

Mark Malley
Director

NOTES TO THE ACCOUNTS

1. Principal accounting policies

Company information

Gateway School Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Wolsey Road, East Molesey, Surrey. KT8 9EL.

1.1. Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. This is the first set of financial statements prepared under FRS 102. The date of transition to FRS 102 is 1 September 2014. There were no material departures from the previous accounting convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2. Going concern

The Directors have considered the company's liquid resources, access to borrowing facilities and the future cash flow forecasts and conclude that these give a reasonable expectation that the company has adequate resources to continue as a going concern. Therefore, these accounts have been prepared on that basis. The company has net current liabilities on its balance sheet of £1,479,915 which includes a loan from its parent company, Bellevue Education Group Limited, of £1,381,000. Bellevue Education Group Limited has confirmed it will continue to provide financial support as required.

1.3. Turnover

Turnover represents the value of fees charged for educational and other related services delivered to pupils of the school in the accounting year, net of discounts.

1.4. Intangible fixed assets

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years. This term is chosen because the investment is in a durable asset, i.e. school land and buildings, and that we expect the market for the school to continue, at least, for that period of time.

1.5. Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long leasehold buildings	50 years
Buildings improvements	10 years
Fixtures and fittings	5 years
Motor vehicles	5 years
IT equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has

transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8. Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9. Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10. Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11. Leased assets
Operating lease rentals are charged to the profit and loss account on a straight -line basis over the lease term.

1.12. Taxation

Tax losses are transferred between companies within the group at no charge.

Deferred tax

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted. If there are tax losses that cannot be recovered by group relief with other Bellevue Group subsidiary undertakings, and which the Directors consider will be recovered against the Company's future profits an appropriate deferred tax asset will be created.

2. Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Auditors' remuneration	6,000	6,594

3. Intangible Fixed Assets

All figures £	Goodwill
Historic Cost	
Balance at 1 September 2015	1,750,000
Balance at 31 August 2016	1,750,000
Accumulated Depreciation	
Balance at 1 September 2015	700,000
Charged to P&L in year	87,500
Balance at 31 August 2016	787,500
Net Book Value at 31 August 2016	962,500
Net Book Value at 31 August 2015	1,050,000

4. Tangible Fixed Assets

All figures £	Long leasehold land & buildings	Plant and machinery	Total
Historic Cost			
Balance at 1 September 2015	872,855	469,612	1,342,467
Additions	24,500	42,637	68,346
Balance at 31 August 2016	897,355	512,249	1,410,813
Accumulated Depreciation			
Balance at 1 September 2015	142,651	368,655	511,306
Charged to P&L in year	52,658	52,833	105,551
Balance at 31 August 2016	195,309	421,488	616,857
Net Book Value at 31 August 2016	702,046	90,761	793,956
Net Book Value at 31 August 2015	730,204	100,957	831,161

5. Debtors – amount falling due within one year

	2016 £	2015 £
Trade debtors	12,734	9,721
Amounts owed by group undertakings	918,070	917,459
Other debtors	-	14,982
Prepayments and accrued income	44,210	46,572
	975,014	988,734

6. Creditors – amounts falling due within one year

	2016 £	2015 £
Trade creditors	77,499	91,347
Payments on account	236,861	213,487
Amounts owed to group undertakings	1,955,000	-
Other taxes and social security	35,722	34,260
Pensions contributions payable	16,141	16,880
Corporation tax liability	35,494	1,618
Other creditors	107,659	73,499
Accruals and deferred income	20,616	163,872
	2,848,992	594,963

7. Provision for liabilities and charges

	2016 £	2015 £
Deferred taxation liability on reversing timing differences	21,738	22,397
	21,738	22,397

Deferred tax provision

Provision for deferred tax has been made as follows:

	2016 £	2015 £
Accelerated capital allowances	21,738	22,397
Short term timing differences	-	-
	21,738	22,397
Movement in deferred tax balance:		
Balance brought forward	22,397	23,262
Deferred tax charged/(credited) to the P&L account in the year	(659)	(865)
Balance carried forward	21,738	22,397

8. Share Capital

	2016 £	2015 £
Called up share capital		
Allotted, called up and paid 1,000 ordinary shares of £1 each	1,000	1,000

9. Reserves

	Profit and loss account £
At 1 September 2015	2,293,894
Profit for the financial year	459,909
Dividend paid/payable	(2,500,000)
At 31 August 2016	253,803

10. Operating Leases

At the reporting end date the company had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016 £	2015 £
Within one year	53,526	52,994
Between two and five years	203,309	206,835
After five years	700,000	750,000
	956,835	1,009,829

11. Contingent Liabilities

The company has provided a cross guarantee and debenture for the bank loans of its immediate parent company Bellevue Education Group Limited and its subsidiaries.

In addition, the bank has a legal charge over the leasehold property and assets of the company as security for the bank loans of Bellevue Education Group Limited.

12. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

13. Staff numbers

The average number of persons employed by the company (including directors) during the year was 76 (2015: 80).

14. Immediate Parent Undertaking and Ultimate Controlling Party

The immediate parent undertaking is Bellevue Education Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking of Gateway School Limited is Bellevue Education International Limited, a company incorporated in England and Wales. Bellevue Education International Limited is the smallest and largest group for which consolidated financial statements are prepared and these financial statements are included in those consolidated financial statements. These are available from 1 Wolsey Road, East Molesey KT8 9EL.

The immediate parent and ultimate controlling parties of Bellevue Education International Limited are Mark Malley, Plato One Limited (a company registered in Hong Kong and in which Marwan Naja and Patrick Mahoney own, respectively, 5.85% and 19.74% of the shares) and Plato Two Limited (a company registered in Hong Kong and in which Mr Marwan Naja and Patrick Mahoney each own 6.67% of the shares). Mark Malley, Marwan Naja and Patrick Mahoney are directors of Bellevue Education Group Limited and Bellevue Education International Limited.

15. Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Shivani Kothari.

The auditor was Kingston Smith LLP.