

Report of the Directors and
Audited Financial Statements for the Year Ended 31 August 2019
for
International School of London (Surrey)
Limited

Rawi & Co Associates Ltd
128 Ebury Street
London
SW1W 9QQ

Contents of the Financial Statements
for the Year Ended 31 August 2019

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

International School of London (Surrey)
Limited

Company Information
for the Year Ended 31 August 2019

DIRECTORS:

Mr N A Makarem
Mr A N Makarem

SECRETARY:

Mr A N Makarem

REGISTERED OFFICE:

International School of London - Surrey
139 Gunnersbury Avenue
London
W3 8LG

REGISTERED NUMBER:

01226711 (England and Wales)

AUDITORS:

Rawi & Co Associates Ltd
128 Ebury Street
London
SW1W 9QQ

Report of the Directors
for the Year Ended 31 August 2019

The directors present their report with the financial statements of the company for the year ended 31 August 2019.

CESSATION OF TRADING

The company ceased trading on 31 August 2019.

PRINCIPAL ACTIVITY

The company's principal activity during the year continued to be that of providing 'Educational Services' within the meaning of the Education Act 1944.

REVIEW OF BUSINESS

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2018 to the date of this report.

Mr N A Makarem
Mr A N Makarem

GOING CONCERN

Financial statements are normally prepared on the going concern basis unless there is a reason to depart from this basis. As the company has ceased trading on 31 August 2019, the directors consider it is inappropriate to prepare the financial statements on a going concern basis. The directors have therefore prepared these financial statements on a break-up basis as set out in note 2. The effect of preparing the financial statements on a break-up basis is that current assets are restated at their recoverable value at 31 August 2019. All liabilities are due within one year.

Cash and other liquid assets have been measured at fair value at 31 August 2019

Other assets where no value is expected to be recovered have been written off; and

Liabilities are only recognised if an obligation existed at the balance sheet date.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company maintains directors' liability insurance which gives appropriate cover for any legal action brought against its directors. The company has also granted indemnities to each of its directors to the extent permitted by law. Qualifying third party indemnity provisions were in force in the year ending 31 August 2019 and remain in force, in relation to certain losses and liabilities which the directors may incur to third parties in the course of acting as directors of the company.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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;

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, Rawi & Co Associates Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

International School of London (Surrey)
Limited (Registered number: 01226711)

Report of the Directors
for the Year Ended 31 August 2019

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mr A N Makarem - Director

27 May 2020

Opinion

We have audited the financial statements of International School of London (Surrey) Limited (the 'company') for the year ended 31 August 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and 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 August 2019 and of its loss 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.

Other information

The directors are responsible for the other information. The other information comprises the information in 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 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; 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosures made in the notes to the financial statements. The directors have resolved to cease trading after the year end and the financial statements have not been prepared on a going concern basis. The financial statements have been prepared on a break up basis which is the main, use the accounting policies notes in respect of (i) basis of preparation, (ii) going concern and (iii) stock to which we draw your attention to.

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.

Rajnikant Chhotabhai Patel (Senior Statutory Auditor)
for and on behalf of Rawi & Co Associates Ltd
128 Ebury Street
London
SW1W 9QQ

27 May 2020

Income Statement
for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
TURNOVER		1,004,007	1,222,441
Cost of sales		<u>(1,175,985)</u>	<u>(1,095,902)</u>
GROSS (LOSS)/PROFIT		(171,978)	126,539
Administrative expenses		<u>(904,334)</u>	<u>(1,121,288)</u>
		(1,076,312)	(994,749)
Other operating income		<u>49,747</u>	<u>-</u>
OPERATING LOSS		(1,026,565)	(994,749)
Exceptional items	4	<u>(124,231)</u>	<u>(152,103)</u>
LOSS BEFORE TAXATION	5	(1,150,796)	(1,146,852)
Tax on loss	6	<u>-</u>	<u>118</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,150,796)</u>	<u>(1,146,734)</u>

Balance Sheet
31 August 2019

	Notes	31.8.19 £	31.8.18 £
CURRENT ASSETS			
Stocks	7	-	41,582
Debtors	8	10,420	435,504
Cash at bank		93,590	27,796
		<u>104,010</u>	<u>504,882</u>
CREDITORS			
Amounts falling due within one year	9	<u>(10,994,244)</u>	<u>(9,481,166)</u>
NET CURRENT LIABILITIES		<u>(10,890,234)</u>	<u>(8,976,284)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(10,890,234)	(8,976,284)
ACCRUALS AND DEFERRED INCOME		-	(763,154)
NET LIABILITIES		<u>(10,890,234)</u>	<u>(9,739,438)</u>
CAPITAL AND RESERVES			
Called up share capital		1,760,000	1,760,000
Retained losses	10	<u>(12,650,234)</u>	<u>(11,499,438)</u>
SHAREHOLDERS' FUNDS		<u>(10,890,234)</u>	<u>(9,739,438)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2020 and were signed on its behalf by:

Mr A N Makarem - Director

Statement of Changes in Equity
for the Year Ended 31 August 2019

	Called up share capital £	Retained losses £	Total equity £
Balance at 1 September 2017	1,760,000	(10,352,704)	(8,592,704)
Changes in equity			
Total comprehensive income	-	(1,146,734)	(1,146,734)
Balance at 31 August 2018	<u>1,760,000</u>	<u>(11,499,438)</u>	<u>(9,739,438)</u>
Changes in equity			
Total comprehensive income	-	(1,150,796)	(1,150,796)
Balance at 31 August 2019	<u>1,760,000</u>	<u>(12,650,234)</u>	<u>(10,890,234)</u>

1. **STATUTORY INFORMATION**

International School of London (Surrey) 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" including the provision of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared on a break up basis at the year end.

Going concern

As set out in the Directors' report, the directors have decided to prepare the financial statements on a basis other than that of a going concern. The financial statements have been prepared on a break-up basis. In adopting the break-up basis at the year end, the following policies and procedures were implemented:

All assets where no value is expected to be recovered have been impaired; and

All liabilities reflect the full amount of which they are expected to materialise.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover represents tuition fees receivable and income from other educational activities, net of value added tax and discounts and is evenly recognised over the terms in the academic year and is attributable to one continuing activity of providing educational services.

Turnover is attributable to the one activity of providing educational services in the United Kingdom.

Tangible fixed assets and stocks

A review for indicators of impairment is carried out at the reporting date, with the recoverable amount being estimated where such indicators exist, where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. As set out in the basis of preparation the directors have decided to prepare the financial statements on a basis other than that of a going concern vis break up basis. Stocks have been valued at nil and all fixed assets at their recoverable amount.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The company does not operate any pension plans, but makes defined contribution to teachers pension scheme and personal pension arrangements of its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further obligations. The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability at the balance sheet date. The assets at the plan are held separately from the company in independently administered funds.

Employee benefits

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.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 43 (2018 - 55) .

4. EXCEPTIONAL ITEMS

The company discloses as exceptional items those items of income or expense which possess a high degree of abnormality or arise from events or transactions that fall outside the ordinary activities of the company and which are not expected to recur.

The directors apply judgements in assessing the particular items, which by virtue of their scale and nature, should be classified as exceptional items. The directors consider that separate disclosure of these items is relevant to an understanding of the company's financial performance.

	31.08.19	31.08.18
	£	£
Impairment losses for tangible fixed assets		152,103
Impairment losses for stock and other debtors	124,231	-
Total	<u>124,231</u>	<u>152,103</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

5. **LOSS BEFORE TAXATION**

The loss is stated after charging:

	31.8.19	31.8.18
	£	£
Hire of plant and machinery	-	3,921
Other operating leases	330,750	378,000
Depreciation - owned assets	-	93,118
Audit fees	20,508	23,560
Pension costs	<u>57,196</u>	<u>59,284</u>

6. **TAXATION**

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31.8.19	31.8.18
	£	£
Deferred tax	-	(118)
Tax on loss	<u>-</u>	<u>(118)</u>

7. **STOCKS**

	31.8.19	31.8.18
	£	£
Library books and sportswear	<u>-</u>	<u>41,582</u>

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

	31.8.19	31.8.18
	£	£
Trade debtors	1,860	289,988
Other debtors	-	79,636
Amount recoverable from fixed assets	-	30,000
Prepayments and accrued income	<u>8,560</u>	<u>35,880</u>
	<u>10,420</u>	<u>435,504</u>

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

	31.8.19	31.8.18
	£	£
Trade creditors	57	24,173
Other creditors < 1 year	181,153	274,759
Amounts owed to group undertakings	10,793,285	9,150,647
Social security and other taxes	<u>19,749</u>	<u>31,587</u>
	<u>10,994,244</u>	<u>9,481,166</u>

The loan from the parent company is unsecured and interest free.

10. **RESERVES**

	Retained losses
	£
At 1 September 2018	(11,499,438)
Deficit for the year	<u>(1,150,796)</u>
At 31 August 2019	<u>(12,650,234)</u>

11. CONTINGENT LIABILITIES

The company has provided a guarantee of £4,290,660 (2018- £4,290,660) to secure bank borrowings of its associate Woking Properties Limited.

The company has issued debenture to the bank creating a charge over fixed and current assets of the company to secure amount payable to the bank in respect of these facilities.

12. OTHER FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases is nil (2018:£2,111,622)

13. RELATED PARTY DISCLOSURES

International Community College Limited

Parent company

International School of London (Surrey) Limited is a wholly owned subsidiary of International Community College Limited. Creditors include £10,793,285 (2018: £9,150,647) payable to International Community College Limited.

Woking Properties Limited

Associated company

The beneficial shareholders of Woking Properties Limited and the beneficial shareholders of company's ultimate holding company Education Associates Limited are the same.

Rent paid to associate £330,750 (2018: £378,000)

Amount due from associate is nil (2018: £71,732)

Associate refers to a company where the shareholders of the ultimate parent company have significant control.

Rawaha Limited

Associated company

Some of the beneficial shareholders of Rawaha Limited and the beneficial shareholders of company's holding company, Educational Associates Limited are the same.

The company has taken advantage of the exemption allowed in FRS 102 in section 33 and has not disclosed details of related party transactions with 100% owned entities within the Group.

14. EMPLOYER PENSION SCHEME

The company operates a defined contribution scheme. During the year the company contributed £57,196 (2018 - £59,284). There were outstanding contributions of £7,827 at the year end included in creditors amounts falling due within one year.

15. ULTIMATE PARENT COMPANY

In the opinion of the directors the ultimate holding company is Educational Associates Limited, a company incorporated in the British Virgin Islands.

16. PRESENTATION CURRENCY

The financial statements are presented in Sterling.

17. LEGAL FORM OF ENTITY AND COUNTRY OF INCORPORATION

International School of London (Surrey) Limited is a private company limited by shares and incorporated in England.

18. **EVENTS AFTER THE END OF REPORTING PERIOD**

As company has ceased trading activities, the directors intend to liquidate the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.