

# Financial Statements Orbital Balkans Limited

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For the year ended 31 August 2017

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Company No. 09304303

## Company information

**Company registration number:** 09304303

**Registered office:** Landmark House  
Station Road  
Cheadle Hulme  
Cheshire  
SK8 7BS

**Director:** K J McNeany

**Secretary:** J W Stewart

**Auditor:** RSM UK Audit LLP  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

**Solicitors:** DLA Piper UK LLP  
1 St. Peter's Square  
Manchester  
M2 3DE

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## Report of the director

The director presents his report together with the audited financial statements for the year ended 31 August 2017.

### Principal activity

The principal activity of the company is that of a holding company for international schools. The company is a private company limited by share capital domiciled and incorporated in England.

### Results

The profit for the period amounted to £14,801 (2016: £7,121)

### Director

The director who held office throughout the period was as follows:

- K J McNeany

### Statement of director's responsibilities

The director is responsible for preparing the Report of the director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements giving a true and fair view are references to achieving a fair presentation. Under company law the director must not approve financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether they have been prepared in accordance with IFRS as adopted by the EU.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 their financial statements comply with the Companies Act 2006. He is 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.

In 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 steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

## Report of the director

### **Auditor**

The auditor, RSM UK Audit LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed to be re-appointed as auditors in the absence of an Annual General Meeting.

### **Small company provisions**

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

Approved by the Board on 21 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'K J McNeany', written over a horizontal line.

K J McNeany  
Director

# Independent Auditor's Report to the Members of Orbital Balkans Limited

## Opinion

We have audited the financial statements of Orbital Balkans Limited (the 'company') for the year ended 31 August 2017 which comprise of the income statement, statement of changes in equity, statement of financial position 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 Auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

# Independent Auditor's Report to the Members of Orbital Balkans Limited

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## **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 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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

## **Auditor's 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 auditor's 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.

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

# Independent Auditor's Report to the Members of Orbital Balkans Limited

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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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ian Taylor RSM UK Audit LLP*

Ian Taylor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
PR2 5PF

Date: 22 December 2017



## Principal accounting policies

### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as issued by the International Accounting Standards Board and adopted by the EU (IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention on a going concern basis.

The financial statements are prepared in sterling, reflecting the financing of the company and the currency used for internal reporting.

### **Going concern**

Despite the deficiency on net current assets, the financial statements have been prepared on a going concern basis due to ongoing support being provided by its parent undertaking.

### **Consolidation**

The company has taken advantage of the exemption provided by Section 400 Companies Act 2006 and has not prepared group accounts. Accordingly, these financial statements present information relating solely to the company rather than the group it heads.

### **Statement of cash flows**

The company does not operate a bank account. The company is fully funded through an inter-company account and therefore no statement of cash flows has been prepared.

### **Critical accounting estimates and judgements**

There are no significant critical accounting judgements or key sources of estimation uncertainty that the director has made in the process of applying the entity's accounting policies.

### **Investments**

Fixed asset equity investments in unquoted trading companies are stated at historical costs in sterling less provision for any impairment.

### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is recognised in the income statement when there is reliable evidence that the company will not be able to fully collect the balance of the amount due. The amount of the provision is the difference between the carrying amount and the recoverable amount being the present value of expected future cash flows, discounted at the original effective interest rate.

### **Trade and other payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

### **Adoption of new and revised standards**

The company has not adopted any new interpretations, revisions or amendments to IFRS issued by the International Accounting Standards Board during the year which have a significant effect on current, prior or future periods in respect of presentation, recognition or measurement. An overview of standards, amendments and interpretations to IFRSs issued but not yet effective is provided on page 9.

## Principal accounting policies

### Standards and interpretations in issue not yet adopted

At the date of issues of these financial statements, the following accounting Standards and Interpretations, which have not been applied, were in issue but not yet effective. The director does not anticipate that adoption of these will have a material impact on the financial statements.

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IAS 7	Disclosure Initiative

### Equity

Equity comprises share capital, representing the nominal value of shares of the company.

### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are dealt with through the profit and loss account.

### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

## Statement of Comprehensive Income

	Note	2017 £	2016 £
Administrative expenses		<u>(3,768)</u>	<u>(30,594)</u>
Operating loss		(3,768)	(30,594)
Finance Income		<u>84,936</u>	<u>85,498</u>
Finance Charges		<u>(66,367)</u>	<u>(47,783)</u>
Profit on ordinary activities before taxation	1	14,801	7,121
Taxation	2	-	-
Profit for the financial period		<u>14,801</u>	<u>7,121</u>

There are no gains or losses other than the result for the year.

## Statement of changes in equity

	Share capital £	Retained profits/ (deficit) £	Total £
As at 1 September 2015	100	(16,465)	(16,365)
Profit for the period	-	7,121	7,121
At 31 August 2016	100	(9,344)	(9,244)
Profit for the year	-	14,801	14,801
At 31 August 2017	100	5,457	5,557

## Statement of financial position

	Note	2017 £	2016 £
<b>Non-current assets</b>			
Investments	3	58,305	58,305
<b>Current assets</b>			
Trade and other receivables	4	1,108,550	1,035,169
<b>Total current assets</b>		<u>1,108,550</u>	<u>1,035,169</u>
<b>Current liabilities</b>			
Trade and other payables	5	(1,018,372)	(1,034,203)
Accruals		<u>(142,926)</u>	<u>(68,515)</u>
<b>Net current liabilities</b>		<u>(52,748)</u>	<u>(67,549)</u>
<b>Total assets less current liabilities</b>		<u>5,557</u>	<u>(9,244)</u>
<b>Net asset/(liabilities)</b>		<u>5,557</u>	<u>(9,244)</u>
<b>Capital and reserves</b>			
Issued Share capital	6	100	100
Retained profits/(loss)		<u>5,457</u>	<u>(9,344)</u>
<b>Shareholders funds/(deficit)</b>		<u>5,557</u>	<u>(9,244)</u>

The financial statements have been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small companies.

These accounts were approved by the Director on 21 December 2017.



K J McNeany  
Director  
Orbital Balkans Limited  
Company Number 09304303

## Notes to the financial statements

### 1 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation all arose from the principal activity of the company.

Auditor's remuneration is borne by the ultimate holding company, Orbital Education Limited.

There were no employees during the year.

### 2 Taxation

	2017	2016
	£	£
The taxation credit is based on the loss for the period and represents:		
UK corporation tax at 19.6%	-	-

#### Factors affecting the tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom of 19.6% (2016: 20%). The differences are explained as follows:

	2017	2016
	£	£
Profit on ordinary activities before taxation	14,801	7,121
Tax on profit on ordinary activities at standard rate of 19.6% (2016: 20%)	2,812	1,424
Group relief surrendered	(2,812)	(1,424)
	-	-

The main rate of corporation tax was reduced from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. The 17% corporation tax rate was substantively enacted on 6 September 2016.

## Notes to the financial statements

### 3 Investments

	Shares in subsidiary undertaking £
Cost and net book value	
At 1 September 2015, 31 August 2016 and 31 August 2017	<u>58,305</u>

The company owns 90.50% of the Ordinary share capital of Britanska mednarodna šola v Ljubljani d.o.o. This company is incorporated in Slovenia. The company's voting rights in respect of the subsidiary is held in the same proportion as the company's share of the share capital in the subsidiary.

### 4 Trade and other receivables

	2017 £	2016 £
Amounts due from Subsidiary Company	<u>1,108,550</u>	<u>1,035,169</u>

### 5 Trade and other payables

	2017 £	2016 £
Amounts owed to Parent Company	<u>1,018,372</u>	<u>1,034,203</u>

### 6 Share capital

	2017 £	2016 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## Notes to the financial statements

### 7 Related party transactions

As at 31 August 2017, a loan balance of £1,018,372 (2016: £1,034,203) is payable to Orbital Education Ltd. Interest is charged at 7% on the nominal loan values. Interest has been accrued but not paid in the period. Loans of EUR 500,000 were raised during the previous year to fund an increase in the amount loaned from the company to Britanska mednarodna šola v Ljubljani d.o.o.

In order to support the subsidiary Britanska mednarodna šola v Ljubljani d.o.o., new loans of EUR 500,000 were issued during the previous year. As at 31 August 2017, a loan balance of £1,108,550 (2016: £1,035,169) is owed from Britanska mednarodna šola v Ljubljani d.o.o. Interest is charged at 10% on the nominal loan values. Interest has been accrued but not paid in the period.

### 8 Ultimate parent undertaking

The company's ultimate parent undertaking is Orbital Education Limited, a company registered in England and Wales. The address of the registered office is Landmark House, Station Road, Cheadle Hulme, Cheshire, SK8 7BS, United Kingdom.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Orbital Education Limited. Copies of the group accounts can be obtained from Companies House.

### 9 Financial instruments and financial risk management

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk, cash flow risk, currency and interest rate risk is not material for the assessment of the assets, liabilities, financial position and the profit or loss of the company.

#### Fair values

There is no material difference between the fair value of the company's financial assets and liabilities and their book value.

#### Capital risk

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide return to shareholders and to minimise the company's cost of capital. In order to maintain or adjust the capital structure in the future the company may make dividend payments to shareholders and raise and repay debt.