

Leicester GT Education Company Limited

Directors' Report and Financial Statements

For the year ended 31 March 2020

Registered Number 06259260



COMPANY INFORMATION

Directors	P Harris W Tebbutt
Company secretary	Galliford Try Secretariat Services Limited
Company number	06259260
Registered office	Cowley Business Park Cowley Uxbridge Middlesex England UB8 2AL
Auditor	BDO LLP Baker Street London W14 7EU
Bankers	The Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB
Solicitors	Addleshaw Goddard LLP 3 Sovereign Square Sovereign Street Leeds LS1 4ER

Directors' Report and Financial Statements

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Directors' Report

for the year ended 31 March 2020

The directors present their report and audited financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the company is to design, build and maintain schools within Leicester for Leicester City Council. During the year no further projects were added to the existing portfolio, with the focus of the company being on the delivery of the on-going operational contracts. Construction on all existing projects has been completed and all operational contracts have either ended or been terminated other than the D&B Contracts which continue until the end of relevant defects liability periods. The latest of these ends in 2027. The company does not expect to incur any future liabilities or costs, and any claims arising from the client relating to the defects liability period will be managed by the directors with the contractor via the back-to-back D&B contracts. During the year the Managed Services Contract was terminated, and there being no further costs to be incurred under any agreement the balance of deferred income was released to the profit & loss.

Future developments

The company shall not be undertaking any new projects and will continue to manage its contractual obligations under the D&B contracts to their natural conclusion.

Results and dividend

The results for the year are set out in the attached statement of comprehensive income. The profit for the year before taxation was £89,159 (2019 loss of: £13,589). The dividend for the year was £115,000 (2019: £nil).

Directors

The directors who held office during the year were as follows:

P Harris
C Sharpe (resigned 18/06/2019)
S Burton (resigned 18/06/2019)
D Ward (resigned 18/06/2019)
J Tebbutt (appointed 18/06/2019)

Qualifying Third Party Indemnity Provisions

Following shareholders' approval, the company has provided an indemnity for its directors and the company secretary which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity was in force throughout the year and up to the date of signing these financial statements.

Financial Risk Management Policy

The Galliford Try group actively maintains an appropriate level of cash reserves that are available for operations and planned expansions of the group as a whole. The group ensures that sufficient cash reserves are made available to its subsidiary undertakings.

Additional information on the group's financial risk management can be found in the consolidated group financial statements of Galliford Try Holdings plc copies of which are publicly available.

Strategic Report

The company is exempt from preparing a Strategic Report as it is a small company in accordance with section 414B of Companies Act 2006.

Directors' Report (continued)

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Forecasts and projections are prepared and performance is monitored against these. Projections indicate that sufficient funds are held to allow ongoing obligations to be met as they fall due, including the current tax liability. The company has a small cash balance and does not expect to earn any further income in the future, however, given no future liabilities or costs are expected to be incurred the directors consider the position acceptable. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

On behalf of the board



..... P Harris, Director

18 February 2021

Directors' Responsibilities Statement

The directors are responsible for preparing the directors' report, the strategic 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 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

Independent Auditor's Report to members of Leicester GT Education Company Limited

Opinion

We have audited the financial statements of Leicester GT Education Company Limited ("the company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive income, the Statement of Financial Position, the 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 March 2020 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 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 directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements, other than the financial statements and our auditor's report 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have 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 director's 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 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, 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

BDO LLP

Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

18 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income
 for the year ended 31 March 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Turnover		92,993	167,299
Cost of sales		-	(135,606)
Gross profit		92,993	31,693
Administrative expenses		(3,901)	(45,418)
Operating (loss) / profit	4	89,092	(13,725)
Interest receivable	3	67	136
Profit / (loss) on ordinary activities before taxation		89,159	(13,589)
Taxation	5	(12,599)	(395)
Profit / (loss) on ordinary activities after taxation		76,560	(13,984)
Total comprehensive income / (loss) for the year		76,560	(13,984)

All of the company's operations relate to continuing activities.

There are no recognised gains or losses other than those passing through the statement of comprehensive income.


The notes on pages 8 to 14 form part of these financial statements.

Statement of Financial Position
As at 31 March 2020

	Note	As at 31 March 2020 £	As at 31 March 2019 £
Current assets			
Debtors due in less than one year	6	697	209,367
Cash at bank and in hand		<u>18,594</u>	<u>155,844</u>
		19,291	365,211
Creditors: amounts falling due within one year	7	<u>(12,599)</u>	<u>(237,240)</u>
Net current assets		<u>6,692</u>	<u>127,971</u>
Total assets less current liabilities		6,692	127,971
Creditors: amounts falling due after more than one year	8	-	(67,989)
Net assets		<u><u>6,692</u></u>	<u><u>59,982</u></u>
Capital and reserves			
Called up share capital	10	150	15,000
Profit and loss account		6,542	44,982
Shareholders' funds		<u><u>6,692</u></u>	<u><u>59,982</u></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 FRS102 section 1A – small entities.

The financial statements on pages 5 to 14 were approved by the board of directors and authorised for issue on 18 February 2021 and are signed on its behalf by:

.....  **P Harris, Director**

18 February 2021

The notes on pages 8 to 14 form part of these financial statements

Registered number 06259260

Statement of Changes in Equity

As at 31 March 2020

	Share Capital £	Retained Earnings £	Total 2019 £
1 April 2018	15,000	58,966	73,966
Comprehensive income for the year			
(Loss) for the year	-	(13,984)	(13,984)
Contributions by and distributions to owners			
Dividends paid	-	-	-
Balance at 31 March 2019	15,000	44,982	59,982

	Share Capital £	Retained Earnings £	Total 2020 £
1 April 2019	15,000	44,982	59,982
Comprehensive income for the year			
Profit for the year	-	76,560	76,560
Contributions by and distributions to owners			
Repayment of share capital	(14,850)	-	(14,850)
Dividends paid	-	(115,000)	(115,000)
Balance at 31 March 2020	150	6,542	6,692

The notes on pages 8 to 14 form part of these financial statements

Notes to the Financial Statements

for the year ended 31 March 2020

(forming part of the accounts)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements.

Basis of preparation

Leicester GT Education Company Limited is a private company, limited by shares and incorporated in England & Wales under the Companies Act, with company number 06259260. The address of the registered office is given on the inside front cover and the nature of the company's operations and its principal activities are set out in the directors' report.

The company's functional and presentational currency is GBP. Amounts have been rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Forecasts and projections are prepared and performance is monitored against these. Projections indicate that sufficient funds are held to allow ongoing obligations to be met as they fall due, including the current tax liability. The company has a small cash balance and does not expect to earn any further income in the future, however, given no future liabilities or costs are expected to be incurred the directors consider the position acceptable. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

Turnover

Turnover represents the value of work done and services rendered and is recognised when earned. It arises entirely in the UK and excludes value added tax. Income is deferred to the extent that it relates to future work not yet completed and is released to the statement of comprehensive income as the work is carried out.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

for the year ended 31 March 2020

(forming part of the accounts)

1. Accounting policies (continued)

Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the trade date when the company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

Dividend policy

Equity dividends are recognised when they become legally payable. There is no requirement to pay dividends unless approved by the shareholders by way of written resolution where there is sufficient cash to meet current liabilities.

Capital instruments

Shares are included in shareholder funds. Debt instruments, which contain an obligation to repay, are classified as liabilities. The finance cost recognised in the statement of comprehensive income in respect of capital instruments other than shares is allocated to periods over the operating life of the instrument to which they relate at a constant rate on the carrying amount.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Judgments in applying accounting policies

In preparation of these financial statements the board have not had to make any estimates that would cause a material adjustment within the financial year.

Covid-19

The Covid-19 outbreak has developed rapidly in 2020. Measures taken to contain the virus have affected the wider economy but have not impacted directly on the Company's trading results. In light of the pandemic, the Company has performed a further review of its accounting policies and consider that they remain appropriate.

Notes to the Financial Statements
for the year ended 31 March 2020
(forming part of the accounts)

2. Directors' remuneration

The directors did not receive any remuneration from the company during the current or prior year.
 The company has no directly employed personnel.

3. Interest receivable

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Bank interest	67	136
	<u>67</u>	<u>136</u>

4. Operating (loss) / profit

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
<i>The operating profit is stated after charging</i>		
Auditor's remuneration:		
- Audit fees	-	6,250
- Other services	-	-
	<u>-</u>	<u>6,250</u>

During the year, the company's audit fees were borne by Galliford Try Services Limited, a fellow subsidiary of Galliford Try Holdings Plc.

Notes to the Financial Statements

for the year ended 31 March 2020

(forming part of the accounts)

5. Tax on profit / (loss) on ordinary activities

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
a) Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	12,599	-
Group relief receivable	-	395
Adjustment in respect of previous periods	-	
Total current tax	12,599	395
Tax on profit on ordinary activities	12,599	395
b) Factors affecting tax charge for the period		
The tax assessed for the period differs from the standard rate of corporation tax of 19% (2019: 19%)		
The differences are explained as follows:		
Profit / (Loss) before taxation	89,159	(13,589)
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax 19% (2019: 19%)	16,940	(2,582)
Utilisation of losses	(4,513)	-
Expenses not deductible for tax purposes	261	332
Adjustment in respect of previous periods	-	395
Use of capital allowances	(89)	-
Deferred tax not recognised	-	2,250
Tax charge for the year	12,599	395

The unprovided deferred tax asset in the prior year relates to unprovided trade losses of £22,915.

Notes to the Financial Statements

for the year ended 31 March 2020

(forming part of the accounts)

6. Debtors: amounts falling due within one year

	31 March 2020	31 March 2019
	£	£
Trade debtors	-	208,823
Deferred tax asset	543	544
Other debtors	154	-
Accrued income	-	-
	<hr/>	<hr/>
	697	209,367
	<hr/>	<hr/>

7. Creditors: amounts falling due within one year

	31 March 2020	31 March 2019
	£	£
Trade creditors	-	190,123
Accruals	-	12,775
VAT creditor	-	9,338
Deferred income	-	25,004
Corporation tax	12,599	-
	<hr/>	<hr/>
	12,599	237,240
	<hr/>	<hr/>

8. Creditors: amounts falling due after more than one year

	31 March 2020	31 March 2019
	£	£
Deferred income	-	67,989
	<hr/>	<hr/>
	-	67,989
	<hr/>	<hr/>

Notes to the Financial Statements
for the year ended 31 March 2020
(forming part of the accounts)

9. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at amortised cost	18,594	364,667
Financial liabilities		
Financial liabilities measured at amortised cost	-	202,898

Financial assets measured at amortised cost comprise cash at bank and in hand of £18,594 (2019: £155,844), trade debtors of £nil (2019: £208,823) and other debtors of £nil (2019: £nil).

Financial liabilities measured at amortised cost comprise trade creditors of £nil (2019: £190,123), and accruals of £nil (2019: £12,775).

10. Share capital

	31 March 2020 £	31 March 2019 £
<i>Authorised, allotted, called up and fully paid</i>		
1,500 Ordinary class A shares of £1 each	-	1,500
1,500 Ordinary class B shares of £1 each	-	1,500
12,000 Ordinary class C shares of £1 each	-	12,000
15,000 Ordinary shares of £0.01 each	150	-
	<u>150</u>	<u>15,000</u>

All shares rank pari passu.

During the year the class A, B and C shares of £1 each were redesignated as Ordinary Shares of £0.01 each. As a result of the redesignation, the balance of £14,850 was repaid to shareholders.

11. Dividends

A dividend of £115,000 was declared and paid in the year (2019: £nil).

Notes to the Financial Statements

for the year ended 31 March 2020

(forming part of the accounts)

12. Transactions with related parties

During the year, Leicester City Council and Building Schools For The Future Investments LLP transferred their respective shares in Leicester GT Education Company Limited to GT (Leicester) Limited which now controls 100% of the issued share capital in the Company.

During the year, the Managed Services contract was terminated and there being no known further costs to be incurred under any agreement, the balance of deferred income totalling £92,993 was released to the profit & loss.

At the end of the year £nil (2019: £157,410) was owed to Galliford Try Construction (UK) Limited, a member of the same group, for construction services and £nil (2019: £nil) was included in accrued expenses. During the year, Leicester GT Education Company Limited invoiced Galliford Try Construction (UK) Limited £nil in respect of insurance recharges (2019: £61,999).

During the year, Galliford Try Investments Limited, a member of the same group, invoiced £1,000 (2019: £4,000) in respect of professional services. At the end of the year £nil (2019: £nil) was owed to Galliford Try Investments Limited for professional services and £nil was included in accrued expenses (2019: £nil).

During the year, GTI Consultancy Services Limited, a member of the same group, invoiced £750 (2019: £32,000) in respect of professional services. At the end of the year £nil (2019: £nil) was owed to GTI Consultancy Services Limited and £nil (2019: £nil) was included in accrued expenses.

13. Ultimate parent company and controlling party

Galliford Try Holdings Plc, a company incorporated in the UK is the ultimate parent company. There is no ultimate controlling party.

14. Post balance sheet events

No matters have arisen since the year end that require disclosure in the financial statements.