



## FREE SCHOOL PROVIDER WITH LINKS TO OFFSHORE COMPANY

Information derived from the leaked “Panama Papers” shows that Bellevue Education is part owned by a company which was set up by the Panamanian law firm Mossack Fonseca. Bellevue Education is one of two companies behind Bellevue Place Education Trust (BPET) - a state-funded academy trust that runs free schools in London and the south east.

The Department for Education (DfE) and BPET deny that Bellevue Education has any influence over the running of the free schools. However, the NUT believes that there are still serious questions to be answered about connections between BPET and Bellevue Education. This NUT dossier outlines allegations made against Bellevue Education and provides evidence of the clear link between the company and the academy trust. **The DfE must investigate and publish a full report as a matter of urgency.**

### 1. Bellevue Place Education Trust

Bellevue Place Education Trust (BPET) is a multi-academy sponsor which operates seven state-funded primary free schools in London and the south east. It was established in 2012 as a joint venture between two private companies:

- **Bellevue Education**, which operates ten private schools in the UK and two boarding schools in Switzerland; and
- **Place Group**, an education consultancy that sells project management services to academies and free schools.

BPET’s first free school, Rutherford House, opened in September 2013. It now runs the following free schools:

Local authority	School	Open date
Wandsworth	Rutherford House School	02/09/2013
Windsor and Maidenhead	Braywick Court School	01/09/2014
Islington	Whitehall Park School	01/09/2014
Hackney	Halley House School	01/09/2015
Brent	Kilburn Grange School	01/09/2015
Richmond upon Thames	Deer Park School	01/09/2015
Barnet	Watling Park school	01/09/2015

BPET’s [Members](#) are:

- Claire Delaney (also Chair of Trustees) Managing Director of Place Group;

- Mark Malley (also Vice Chair of Trustees), CEO of Bellevue Education;
- Simon Rule, founder and CEO of Place Group (also a Trustee);
- Marwan Naja, Chairman of Bellevue Education; and
- Mervyn Douglas.

BPET's full complement of [current trustees](#) is:

- Claire Delaney (Chair of Trustees) Managing Director of Place Group;
- Mark Malley (Vice Chair), CEO of Bellevue Education;
- Steven Wade, Bellevue Education UK Schools Director;
- Simon Rule, founder and CEO of Place Group;
- Tom Legge, former New Schools Director at Place Group; and
- Mark Greatrex (Chief Executive).

## 2. Bellevue Education

CEO and former head teacher Mark Malley founded Bellevue as House Education in 2003. In that year Malley took over a “troubled” London preparatory school, Norfolk House School, which had previously failed two inspections by the Independent Schools Inspectorate. According to Bellevue's [website](#): “within a year Mark had turned the school around, achieving an Outstanding inspection report”.

In 2008 Norfolk House was joined by Weston Green School in Surrey as part of House Education. The same year the company changed its name to the Really Great Education Company.

In 2011 the company adopted the name Bellevue and began a period of rapid expansion, acquiring or establishing a further six schools [within a year](#).

The period of Bellevue's growth coincided with significant investment which was made through its new chairman, private equity investor Marwan Naja (appointed September 2010). Naja, who is a resident of Switzerland, had previously worked as private equity manager at the Swiss private Pictiet Bank. He left this position to set up his own private equity firm, [Manixer](#), at around the same time that he joined Bellevue as chairman. Bellevue is [listed](#) on Manixer's website as one of its investments.

## 3. Allegations of tax avoidance and money laundering

It has now emerged that Bellevue Education is part owned via a company registered to the British Virgin Islands which was set up by the Panamanian law firm Mossack Fonseca. The name of the company is Maplehill Investments (BVI) and its owner is Tarek Obaid, the founder of Anglo-Saudi oil company PetroSaudi. Through a complex ownership structure he is in fact the biggest shareholder in Bellevue Education. The details of Bellevue's ownership are as follows:

- Since 2010 Bellevue Education Group has been a wholly owned subsidiary of Bellevue Education International Limited.
- Bellevue Education International's shares are held by three parties. The company's most recent annual return shows that Bellevue founder Mark Malley owns 1,000 shares but the majority of the company is owned by two Hong Kong registered subsidiaries: Plato One Ltd (18,576 shares) and Plato Two Ltd (29,096 shares).<sup>1</sup>
- The anti-corruption group the [Sarawak Report](#) has revealed that both Plato One and Plato Two are owned by Maplehill Property Limited and Patrick Mahony, who is also a director of Bellevue Education Group and Bellevue Education International (see below).

The Sarawak Report alleges that Bellevue chairman Marwan Naja set up this complex ownership structure in 2010 for tax avoidance purposes. They cite a document from 2010 in which Naja reported that he had:

“taken specific tax advice from a firm of internationally recognised accountants which has confirmed to him in writing that no Tax will be payable.. as a result of any dividends, distributions or other returns. whether during the Investment or following an exit from the Investment”

Furthermore, the Sarawak Report claims that Bellevue Education was also a vehicle to hide money which Mahony and Obaid had obtained in “illegal backhanders” from a Malaysian development fund. The allegations made by Sarawak are as follows:

“The re-structuring and re-branding of Bellevue took place in late 2010, after a major initial injection of five and a half million pounds from the new secret investors [Mahony and Obaid], who engaged Marwan Naja to represent their interests, according to documents obtained by Sarawak Report.

The two PetroSaudi directors [Mahony and Obaid] agreed to make available more cash when needed to expand the project and we have evidence they raised over £20 million (RM110 million) in share capital and lending over the course of the next few months.

The cash flow became available not long after both men received large sums of money directly into their private JP Morgan Suisse bank accounts from the now fugitive Malaysian businessmen Jho Low, which was termed as a payment for their role in “brokering” the billion dollar 1MDB PetroSaudi joint venture in September 2009 – from which Low siphoned out US\$700 million into his private company Good Star Limited.”

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<sup>1</sup> Available to download here: <https://beta.companieshouse.gov.uk/company/08028529/filing-history>

## 4. Reporting by the Sunday Times

On 10 April the Sunday Times published some of Sarawak Report's findings, highlighting Tarek Obaid's stake in Bellevue via Maplehill Investments.<sup>2</sup> However, the report left out all references to the alleged roles played by Marwan Naja and Patrick Mahony in setting up and investing in Bellevue Education.

Bellevue Place Education Trust's (BPET) response to the Sunday Times piece was published on its [website](#). It contained the following assertions (emphasis added):

- "The Trust was established by two parties, Bellevue Education and Place Group. ***The Trust's governance structure is clear as to the structure and who the members and trustees are.***"
- "The Trust is ***a separate, independent organisation from Bellevue Education*** that is solely focused on offering high quality education provision to its pupils."
- "Bellevue Place Education Trust wishes to be very clear that the Bellevue shareholder who made an investment in Bellevue Education via a company registered by Mossack Fonseca in the British Virgin Islands ***has no connection with the Trust.***"
- "Bellevue Place Education Trust is an independent charitable organisation, ***with six trustees, of which one is Mark Malley.***"

The DfE's full statement in response to the Times story was also published on BPET's website, it included the following assertions (emphasis added):

"We demand the highest moral and professional standards from anyone involved in educating our children and, in common with every free school proposal, Bellevue Place Educational Trust (BPET) was subject to detailed scrutiny. We are clear that no-one will be handed control of a school unless we are entirely happy with the result of the checks.

Bellevue Education and BPET ***are separate organisations***. Our records show the ***individual named*** is not in any way involved in the governance of BTEP schools. There are strict rules that prevent free schools and academies being run as for-profit organisations."

Both statements tacitly acknowledge that Tarek Obaid is a major shareholder in Bellevue, while simply denying his influence over the governance of BPET. However, neither statement seeks to address or deny the possibility, as claimed by the Sarawak Report, that Bellevue Education has been used as a vehicle for tax avoidance and that its chairman, Naja, and one of its directors, Mahony, are heavily implicated in this.

Furthermore, the statements make a series of assertions about the independence of the trust (BEPT) from Bellevue Education. On the basis of the evidence below we believe

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<sup>2</sup> Jon Ungeod-Thomas and Josh Boswell, 'Saudi oil tycoon revealed as investor in schools company', *Sunday Times*, 10.04.16.

[http://www.thesundaytimes.co.uk/sto/news/uk\\_news/National/article1686389.ece](http://www.thesundaytimes.co.uk/sto/news/uk_news/National/article1686389.ece)

that it is not accurate to describe BPET as “a separate, independent organisation” from Bellevue. There are also serious questions to be asked about the potential influence of Bellevue Education and its directors over BPET.

## 5. Connections between Bellevue Education and PetroSaudi International

Patrick Mahony – the individual identified by the Sarawak Report as co-owner of Plato One and Plato Two – is director and “Chief Investment Officer” at both Bellevue Education Group and Bellevue Education International. He is also a director, along with Tarek Obaid, of [PetroSaudi Energy and Trading \(UK\) Ltd](#) – a UK-based arm of PetroSaudi International, the oil company [founded](#) by Obaid.

Both Bellevue Education and Bellevue Education International have the same correspondence address as PetroSaudi Energy and Trading (UK) Ltd. This is also PetroSaudi’s UK address.<sup>3</sup> These details can be seen in the following screenshot (taken 12/04/16) from [Companies House](#):

**Patrick Andrew Marc MAHONY**

Filter appointments | 0 | Correct assignments

Total number of appointments 3

Date of birth  
July 1977

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**PETROSAUDI ENERGY AND TRADING (UK) LTD (07980623)**

Company status Active	Correspondence address 1 Curzon Street, London, England, W1J 5HD	
Role Director	Appointed on 12 February 2013	
Nationality British	Country of residence England	Occupation Business Executive

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**BELLEVUE EDUCATION INTERNATIONAL LIMITED (08028928)**

Company status Active	Correspondence address PetroSaudi International (UK) Limited, 1 Curzon Street, London, England, W1J 5HD	
Role Director	Appointed on 12 April 2012	
Nationality British	Country of residence England	Occupation Chief Investment Officer

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**BELLEVUE EDUCATION GROUP LIMITED (04924426)**

Company status Active	Correspondence address PetroSaudi International (UK) Limited, 1 Curzon Street, London, England, W1J 5HD	
Role Director	Appointed on 21 October 2010	
Nationality British	Country of residence England	Occupation Chief Investment Officer

<sup>3</sup> This can be seen on PetroSaudi’s [website](#) which, as noted by the Sarawak Report, also shows that Marwan Naja’s investment firm Manixer has the [same address](#) as PetroSaudi’s Geneva office.

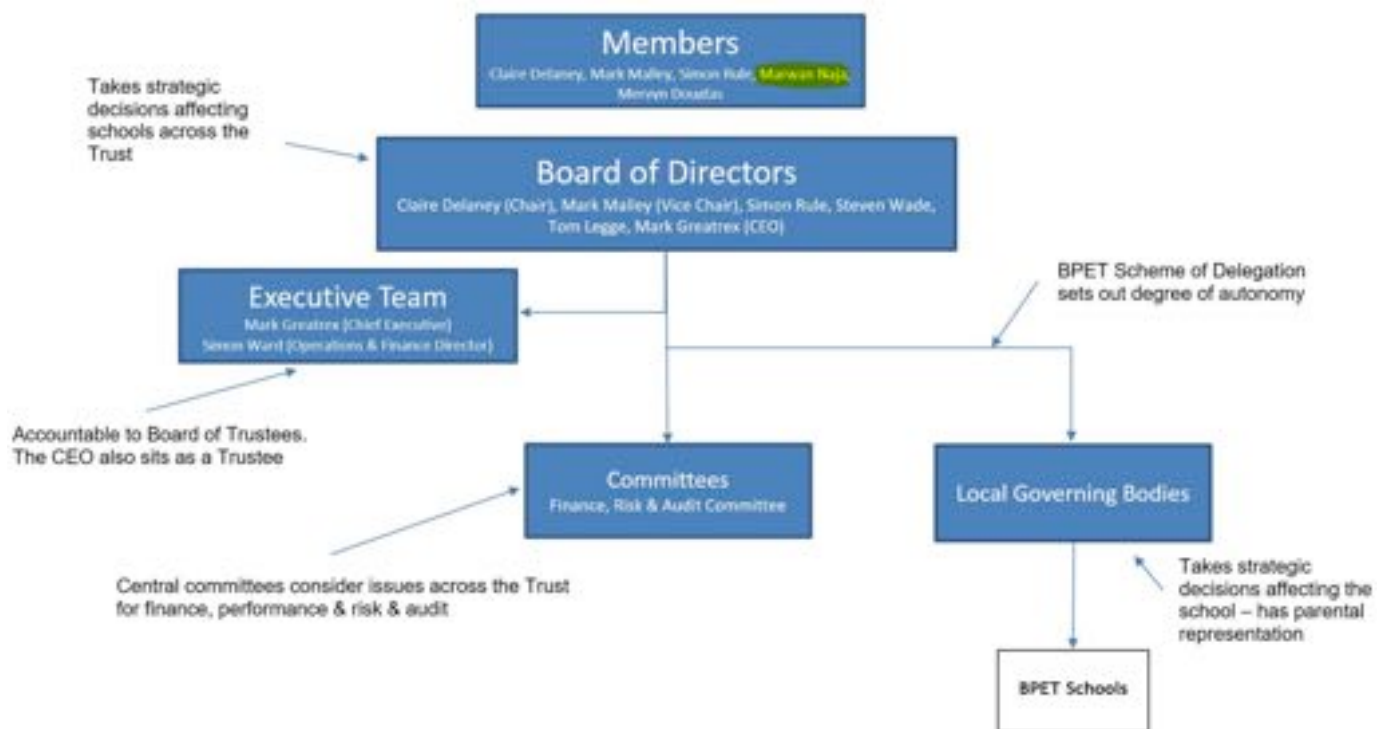
## 6. Bellevue Education and Bellevue Place Education Trust

Bellevue Place Education Trust, the legal entity running state funded free schools, claims that it is “a separate, independent organisation from Bellevue Education”. However, there are strong reasons to question this.

### 6.1. Evidence that Marwan Naja is a member of the academy trust

Academy trusts comprise members and trustees and in some cases have local governing bodies for their schools. The role and rights of members is analogous to that of shareholders. The members can control changes in the constitution (subject to DfE approval) and other fundamental decisions relating to the academy trust. Members also have the right to remove a governor (also known as a director or trustee) by ordinary resolution (a vote passed by a simple majority of members).

According to Bellevue Place Education Trust’s [own website](#), Marwan Naja is a member of the company, alongside Mark Malley.



This is also reflected in the [trustees’ report and financial statements](#) for the year ended August 2015 (p.1):

#### Members

Claire Delaney  
 Mark Malley  
 Simon Rule  
 Marwan Naja  
 Mervyn Douglas (appointed 1 January 2015)

In fact Bellevue Place Education Trust's [Articles of Association \(p. 14\)](#) require that the members of the company include both the Chairman and the Chief Executive of Bellevue Education. These two posts are currently occupied by Marwan Naja and Mark Malley respectively, and this was also the case when the articles were included in the Trust's Master Funding Agreement signed on behalf of the Secretary of State for Education in June 2013.<sup>4</sup>

#### MEMBERS

12. The Members of the Academy Trust shall comprise:
  - a. the signatories to the Memorandum;
  - b. **The Chief Executive Officer and Managing Director of Place Group Limited**
  - c. **The Chief Executive Officer and Chairman of Bellevue Education**
  - d. any person appointed under Article 15A,

### 6.2. *Two of Bellevue Place Education Trust's six trustees are part of Bellevue Education's "leadership team"*

Bellevue Place Education Trust's six trustees include Mark Malley but he is not the only individual with strong links to Bellevue Education. [Current trustees](#) of BPET also include Steven Wade who is "Schools Director" of Bellevue Education. He is referred to on the Bellevue website as part of the company's [leadership team](#), along with Mark Malley and Marwan Naja (see Appendix).

It should further be noted that BPET's [Articles of Association](#) state that both Bellevue Education and Place Group may each appoint up to five Directors (trustees) of BPET (p. 21):

- b. up to 10 Trustees appointed by the Foundation/sponsor Body. Place Group Limited may appoint up to 5 Directors. **Bellevue Education Group Limited** may appoint up to 5 Directors; and

This in effect guarantees Bellevue Education a degree of influence over the functioning of BPET. Since Bellevue Education is mostly owned by Tarek Obaid though a Mossack Fonseca formed company, this should be a matter of concern.

### 6.3. *Bellevue Place Education Trust and Bellevue Education – evidence of joint working*

Until the recent revelations about Bellevue Education's ownership, Bellevue Place Education Trust (BPET) has consistently emphasised the importance of the connections between BPET and Bellevue Education. This is particularly evident in the successful free school applications which BPET made to the DfE.

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<sup>4</sup> See pages 88-89 of the Master Funding Agreement. It can be downloaded here: <http://www.education.gov.uk/cgi-bin/schools/performance/school.pl?urn=139775>

For example, BPET's first free school [application](#), for the school now known as Rutherford House in Balham (then known as Balham Free Primary School – BFPS), contained the following statements:

- “Bellevue will make available its expertise in independent education to support the school. It will also seek to share resources and where appropriate, facilities with the school.” (p. 7)
- “With input from Bellevue Education's expertise, and consultant leadership, we will combine the best from the independent and state sectors.” (p. 21)
- “Arising from the involvement of Bellevue Education, there will be joint productions in the school calendars of BFPS and Wandsworth Prep, and collaboration regarding wider events. As mentioned elsewhere, shared CPD will take place across the staff teams as well as shared use of facilities at Wandsworth Prep. As part of Bellevue's corporate social responsibility programme, a suitable minibus will be available for BFPS use at agreed times.” (p. 39)

BPET's application to open [Whitehall Park School](#) in Islington (opened in 2014) stated:

“In addition, there is direct school leadership experience of opening a state funded independent school, consultant leadership, expertise in school effectiveness and efficiency, and input from the Bellevue Group of successful independent schools. “

BPET's application for [Braywick Court free](#) school which also opened in 2014 said the following:

“Both Place Group and Bellevue employ highly experienced school financial management professionals who have taken key roles in the planning, pre-opening and post-opening operations of several free schools and academies.”

#### *6.4. Financial transactions between Bellevue Place Education Trust and Bellevue Education*

BPET's financial statements reveal a number of transactions between the trust and Bellevue Education. During the year ended [31 August 2014](#) the directors of Place and Bellevue Education contributed the following sums to BPET (p. 38):

The directors of Place Group and Bellevue Education estimate that they have contributed in the order of £75,000 and £50,000 respectively to support the Trust in this current financial period. This has been through the contribution of time devoted to the work of the Trust and a range of goods and services that have been provided at zero cost.

In the same year BPET paid £5,705 to Bellevue Education for the supply of “monitoring information” (p. 38):



*Bellevue Education Group Limited (a company in which Mark Malley is a Director)*  
of £5,705 were made from Bellevue Education to provide the Board and the Rutherford House LGB with monitoring information. This also was provided at cost. In entering into the transaction the trust has complied with the requirement of the EFA's Academies Financial Handbook and neither Mark Malley nor Stephen Wade (an employee of Bellevue Education Group Limited) participated in the decision to award the work to Bellevue Education.

In [2015](#) BPET paid Bellevue Education £37,701 for the provision of school improvement services (p. 4):

Purchases were also made to Bellevue Education for the provision of school improvement support services. Purchases amounted to £37,701 across the three schools in the trust and these were also provided at cost.

# APPENDIX: Bellevue Education Leadership Team

(Accessed 12.04.16: <http://www.blvue.com/about-us/our-leadership-team/>)

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## Our Leadership Team



Marwan Naja

Chairman

Marwan Naja is the Chairman of Bellevue Education. He is an entrepreneur and investor focusing on the education sector

[Read more...](#)



Mark Malley

Chief Executive Officer

Mark Malley is the Chief Executive Officer of Bellevue Education. He founded the group twelve years ago and is passionate about education.

[Read more...](#)



Steven Wade

Schools Director

Steven Wade is the Schools Director of Bellevue Education. With over 20 years' experience in the education sector, Steve brings a wealth of knowledge to his role.

[Read more...](#)