

Charity Registration No. 1163885

Company Registration No. 08045437 (England and Wales)

MAGIC (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

MAGIC (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs C Cooper Mrs J Daly Miss K Boon	(Appointed 1 November 2020)
Charity number	1163885	
Company number	08045437	
Trading Name	City of Rochester School	
Registered office	Bradbury House View Road Cliffe Woods Rochester Kent ME3 8UJ	
Auditor	Crossley Financial Accounting Limited Star House Star Hill Rochester Kent	

MAGIC (UK) LIMITED

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 8
Statement of financial activities	9
Statement of financial position	10 - 11
Statement of cash flows	12
Notes to the financial statements	13 - 22

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 30 APRIL 2020

The trustees present their report and financial statements for the year ended 30 April 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

MAGIC (UK) Ltd is a charity set up to help children, young adults and their families who have an autism spectrum diagnosis or are in the process of having one diagnosed. It aims to deliver services to these groups of the public that will help alleviate the additional problems that children and young adults with autism can have especially with socialising or being in social situations. This directly benefits the children and young adults by providing experience and strategies for preparing them for adult life in the general public.

The organisation is established to:

- Help and support families with children with autistic spectrum disorder within the Medway Towns.
- Provide a centre of information relating to autism and co-existing disorders.
- Establish and maintain a parent based advisory group for sharing information.
- Arrange activities for the purpose of social skills development for children with autistic spectrum disorders offering extra curricular activities otherwise unavailable to them.
- Provide and manage drop in centre within the Medway Towns for use by families and those working with children with autistic spectrum disorders.
- Create and make available a directory of local agencies offering services for families with children with autistic spectrum disorder's and professionals working with such children.

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Significant Activities

The organisation operates the following activities for it beneficiaries:

MAGIC Activity Days

Magic Activity Days were designed to improve outcomes and progress for all children with autism offering high quality, fun activities in a safe and supported environment, whilst encouraging the involvement of parents and carers. With a change in the amount and way funding was provided these have not been run during this accounting period. Different ways of supporting young people during the school holidays and periods of school closures particularly with Covid have been investigated and implemented where possible.

MAGIC Coffee Morning

A gathering for parents to meet informally to socialise and to give and receive support to and from other members.

The coffee mornings on occasion are a forum for guest speakers, training sessions and Q&A sessions to provide parents and carers with more structured support.

Based on understanding of guidance from ofsted we are unable to host these drop in meetings at the Bradbury House site. Alternative venues were being looked into until the outbreak of covid.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

MAGIC Youth Club

We run two weekly sessions one for under 13s and one for over 13s. Again based on the understanding of guidance from ofsted we are unable to host these at the Bradbury house site. Alternatives to the youth club were being looked into until the outbreak of covid.

Monkey Bizz MAGIC

An informal social for parents and children to share experiences and information. The soft play centre has unfortunately closed due to lockdowns and covid related issues. We will look into re-launching once safe to do so in the future.

City of Rochester School (formerly Magic ARC)

City of Rochester School provides education for 5-18 year olds with an autism spectrum condition.

Volunteers

During the year 14 volunteers have provided their services to the charity which equated to 490 hours of donated time.

Achievements and performance

The charity's major objectives, which are described above, have continued throughout the period of this report.

The global Covid pandemic has had significant impact upon some of our services as noted above such as the closure of the soft play centre meaning that our popular Monkey Bizz sessions could not be provided. In terms of the charity as a whole however, the pandemic has not had any significant financial impact. City of Rochester School has remained open throughout as it is designated a special school so was and is not subject to the school closures.

With City of Rochester School remaining open throughout the pandemic we have been able to continue to provide services to the children and young adults of Kent and Medway. They have continued to benefit from the charities work during this hard time not only within the school, but for those who have been unable to attend, the charity has continued to provide education, therapies and support through telephony, use of information technology such as video calls and ensuring work has been able to be sent home to families. We have ensured the safety of the beneficiaries throughout by continuing home visits (within social distancing guidelines) and continuing to support family needs including by delivering food parcels for those worse affected by the pandemic.

Key Performance Indicators

Tuition income as a percentage of total income - £1,139,591, 99% of total income, up 9% from last year.

Wages are £760,915, which is 78.2% of total expenditure, a increase of 8.6% from last year. Wages as a percentage of total income are 66.7% in 2020, 52.9% in 2019, 69.8% in 2018 and 78.7% in 2017.

Donations of £6,439 in 2020, are down 59.9% from last year, and are less than 1% of total income in 2020.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

Financial review

The charity has continued to grow over the period with the number of referrals to City of Rochester School increasing. As more students have been brought on board, more staff have been required to provide the charitable benefits and aims of the charity and space within the charity's building has been developed and changed to maximise efficiency within the charity. There has been significant investment in updating the building to help deliver its aims and benefits to the children and young adults the charity supports.

Funding during the period has predominantly been delivered via Medway and Kent County Council. Both of these provide funding to enable the charity to provide education and support to the children, young adults and their families with an aim to help them as they grow into adult members of the public.

At the start of the period the children and young people supported were predominantly from Medway Local Authority with few from Kent, however, over the period more have been referred and are now being supported from the Kent area. This has reduced the financial risk to the charity by spreading the sources of income and creating a more balanced financial base. This process is ongoing through the subsequent period.

Unlike many other charities and businesses, the Covid pandemic has not posed a significant financial risk to our charity. The Department for Education, very early in the pandemic, confirmed that all funding for charities running independent schools would remain in place for the duration of the pandemic. As our funding from the local authorities which forms the majority of the charity's income falls under this, it was assessed that and continues to be assessed that the financial risks to charitable income were minimal.

Reserves Policy

The Board of Trustees recognise the need for the organisation to keep in reserve a level of funds that will enable it to continue supporting its beneficiaries for the foreseeable future.

The Board of Trustees also recognise that the funds of the organisation where possible should be reinvested into the activities that it provides for its beneficiaries.

With this in mind the trustees have agreed that the level of reserves held should be sufficient to support one terms activities and are working towards this.

There were cash and cash equivalents at end of year of £191,103 compared to £120,097 in 2019 and £59,419 in 2018, demonstrating an increasing trend towards this goal.

Future Plans

Continued growth towards filling the 60 available school places with 37 pupils on roll as at the time of writing. Investment and modernisation of the building to facilitate this growth is ongoing.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

Structure, governance and management

Governing Document

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity Constitution

Magic Ltd is a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 25 April 2012. It is registered as a charity with the Charity Commission.

Trustees during the year

Mr C Pocock (Resigned 1 January 2021)

Mrs C Cooper

Mrs J Daly

Miss K Boon (Appointed 1 November 2020)

Recruitment and Appointment of New Trustees

Once a new trustee has been recruited in line with the processes laid out in the charity's governing documents, they are given access to a private trustees only shared cloud drive. On this shared page are a number of the latest documents required to provide a basic induction for all new trustees and for reference for all trustees on an ongoing basis. Shared documents include:

- Articles of association
- Certificate of incorporation
- Charities commission certificate
- Policy documents
- Organisational structure diagram
- Most recent annual report
- Most recent annual accounts
- Quarterly management accounts
- Minutes of previous trustees meetings
- Being a trustee CC3 "the Essential Trustee: what you need to know" (charity commission)
www.charitycommsion.gov.uk/publications/cc3.aspx

In addition to this access, all new trustees are invited to visit the charity's main office to meet the senior management team, staff and where appropriate service users to better understand the charity and its people.

Organisational Structure

The organisation and its property is administered and managed in accordance with the constitution by the trustees.

The Board of Trustees consists of not less than 2 members and not more than 6 members.

The Board of Trustees has delegated the responsibility for the day to day operation of the organisation to the Headteacher of The City of Rochester School, Alicja Emmett.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. This is reviewed regularly by trustees at their meetings.

Key Management Personnel Remuneration

Trustees now review and consider the remuneration of key management personnel annually.

Statement of trustees' responsibilities

The trustees, who are also the directors of Magic (UK) Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crossley Financial Accounting Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mrs C Cooper

Trustee

Dated: 2 March 2021

MAGIC (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MAGIC (UK) LIMITED

Opinion

We have audited the financial statements of Magic (UK) Limited (the 'charity') for the year ended 30 April 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 charitable company's affairs as at 30 April 2020 and of its incoming resources and application of resources, 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 charity 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 the provisions available for small entities, in the circumstances set out in note [X] to the financial statements, 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

MAGIC (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MAGIC (UK) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

MAGIC (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MAGIC (UK) LIMITED

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**S Meah FCCA (Senior Statutory Auditor)
for and on behalf of Crossley Financial Accounting Limited**

4 March 2021

**Chartered Accountants
Statutory Auditor**

Star House
Star Hill
Rochester
Kent

Crossley Financial Accounting Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2020

		Unrestricted funds 2020 £	Total 2019 £
<u>Income and endowments from:</u>	Notes		
Donations and legacies	3	6,464	16,114
Income from charitable activities	4	1,139,591	664,337
Other trading activities	5	360	14,476
Other income	6	-	3,657
Total income		1,146,415	698,584
<u>Expenditure on:</u>			
<u>Raising funds</u>			
Charitable activities expenditure	7	1,016,283	602,492
Other		-	4,797
Total resources expended		1,016,283	607,289
Net income for the year/ Net movement in funds		130,132	91,295
Fund balances at 1 May 2019		206,326	115,031
Fund balances at 30 April 2020		336,458	206,326

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		577,664		453,721
Current assets					
Stocks	13	100		300	
Debtors	14	329,100		39,559	
Cash at bank and in hand		191,103		120,097	
		<u>520,303</u>		<u>159,956</u>	
Creditors: amounts falling due within one year	16	<u>(455,818)</u>		<u>(93,920)</u>	
Net current assets			64,485		66,036
Total assets less current liabilities			<u>642,149</u>		<u>519,757</u>
Creditors: amounts falling due after more than one year	17		(305,691)		(313,431)
Net assets			<u><u>336,458</u></u>		<u><u>206,326</u></u>

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Income funds					
Unrestricted funds - general		336,458		206,326	
		<u>336,458</u>		<u>206,326</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 April 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These 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 Trustees on 2 March 2021

Mrs C Cooper
Trustee

Company Registration No. 08045437

MAGIC (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	20		221,326		90,422
Investing activities					
Purchase of tangible fixed assets		(142,918)		(2,376)	
Proceeds on disposal of tangible fixed assets		-		527	
Net cash used in investing activities			(142,918)		(1,849)
Financing activities					
Repayment of bank loans		(7,402)		(27,895)	
Net cash used in financing activities			(7,402)		(27,895)
Net increase in cash and cash equivalents			71,006		60,678
Cash and cash equivalents at beginning of year			120,097		59,419
Cash and cash equivalents at end of year			<u>191,103</u>		<u>120,097</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

Charity information

Magic (UK) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bradbury House, View Road, Cliffe Woods, Rochester, Kent, ME3 8UJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies **(Continued)**

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under the heading that aggregates all costs related to the category. Where costs cannot be attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% on cost
Leasehold improvements	Straight line over 20 years
Plant and equipment	Straight line over 5 years
Fixtures and fittings	Straight line over 5 years
Computers	Straight line over 3 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.10 Company Status

In the event of winding up of the charity each member of the Charity undertakes to contribute such sum as may be required, not exceeding £1 each.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2020 £	Total 2019 £
Donations and gifts	6,439	14,592
Membership fees	25	1,522
	<u>6,464</u>	<u>16,114</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

4 Income from charitable activities

	General 2020 £	General 2019 £
Tuition	1,139,591	625,720
Performance related grants	-	38,617
	<u>1,139,591</u>	<u>664,337</u>
Performance related grants		
Aiming High	-	38,617
	<u>-</u>	<u>38,617</u>

5 Other trading activities

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Fundraising events	14	310
Cafe	36	1,081
Trading activity income: other	310	13,085
	<u>360</u>	<u>14,476</u>

6 Other income

	Unrestricted funds general 2020 £	Total 2019 £
Other income	-	3,657
	<u>-</u>	<u>3,657</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

7 Charitable activities expenditure

	General	Total	General	Total
	2020	2020	2019	2019
	£	£	£	£
Staff costs	760,915	760,915	390,719	390,719
Depreciation and impairment	18,975	18,975	13,398	13,398
Premises Costs	43,653	43,653	53,062	53,062
Office Costs	8,564	8,564	5,499	5,499
Activity Costs	37,720	37,720	9,416	9,416
Travel and Fuel	6,603	6,603	6,346	6,346
Computer and Software	30,826	30,826	6,988	6,988
Volunteer Expenses	-	-	469	469
Training	8,502	8,502	11,216	11,216
Professional Fees	23,589	23,589	36,486	36,486
School Supplies	21,223	21,223	7,733	7,733
Magic Bean Cafe	1,094	1,094	2,366	2,366
Bank Charges and Loan Interest	11,362	11,362	13,769	13,769
Fund Raising Costs	216	216	162	162
	<u>973,242</u>	<u>973,242</u>	<u>557,629</u>	<u>557,629</u>
Share of support costs (see note 8)	36,441	36,441	40,663	40,663
Share of governance costs (see note 8)	6,600	6,600	4,200	4,200
	<u>1,016,283</u>	<u>1,016,283</u>	<u>602,492</u>	<u>602,492</u>
Analysis by fund				
Unrestricted funds - general	<u>1,016,283</u>	<u>1,016,283</u>	<u>602,492</u>	<u>602,492</u>
For the year ended 30 April 2019				
Unrestricted funds - general	<u>602,492</u>			<u>602,492</u>
	<u>602,492</u>			<u>602,492</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

8	Support costs	Support costs	Governance	2020	Support costs	Governance	2019
		£	costs £	£	£	costs £	£
	Sundries	1,811	-	1,811	5,592	-	5,592
	Marketing	2,292	-	2,292	479	-	479
	Recruitment costs	27,507	-	27,507	21,814	-	21,814
	Accountancy fees	4,831	-	4,831	12,778	-	12,778
	Audit fees	-	6,600	6,600	-	-	-
	Accountancy and independent examination costs	-	-	-	-	4,200	4,200
		<u>36,441</u>	<u>6,600</u>	<u>43,041</u>	<u>40,663</u>	<u>4,200</u>	<u>44,863</u>
	Analysed between Charitable activities	<u>36,441</u>	<u>6,600</u>	<u>43,041</u>	<u>40,663</u>	<u>4,200</u>	<u>44,863</u>

9 Trustees

One trustee claimed £219 in mileage expenses during the period at the standard 45p per mile for additional travel incurred performing home visits for potential new students.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Monthly staff	19	9
Weekly staff	-	6
	<u>19</u>	<u>15</u>

Employment costs

	2020 £	2019 £
Wages and salaries	532,012	356,168
Social security costs	64,370	34,551
	<u>596,382</u>	<u>390,719</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
Head Teacher	1	-

11 Key management personnel

The key management personnel of the charity comprise the Head Teacher - appointed 1 March 2019.

The total amount of remuneration (including employer pension contributions and employee benefits) paid to key management personnel for their services to the charity for the year was £74,667 (2019 - £11,500).

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

12 Tangible fixed assets		Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost								
At 1 May 2019		475,000	2,449	2,424	8,550	6,619	1,050	496,092
Additions		-	129,354	102	3,488	9,974	-	142,918
Disposals		-	-	-	-	(340)	-	(340)
At 30 April 2020		475,000	131,803	2,526	12,038	16,253	1,050	638,670
Depreciation and impairment								
At 1 May 2019		28,500	429	1,588	5,860	4,943	1,050	42,370
Depreciation charged in the year		9,500	4,377	504	2,092	2,503	-	18,976
Eliminated in respect of disposals		-	-	-	-	(340)	-	(340)
At 30 April 2020		38,000	4,806	2,092	7,952	7,106	1,050	61,006
Carrying amount								
At 30 April 2020		437,000	126,997	434	4,086	9,147	-	577,664
At 30 April 2019		446,500	2,020	835	2,689	1,677	-	453,721

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

13	Stocks		2020	2019
			£	£
	Valuation		100	300
			<u> </u>	<u> </u>
14	Debtors		2020	2019
	Amounts falling due within one year:		£	£
	Trade debtors		313,552	30,444
	Other debtors		7,956	5,792
	Prepayments and accrued income		7,592	3,323
			<u> </u>	<u> </u>
			329,100	39,559
			<u> </u>	<u> </u>
15	Loans and overdrafts		2020	2019
			£	£
	Bank loans		314,119	321,521
			<u> </u>	<u> </u>
	Payable within one year		8,428	8,090
	Payable after one year		305,691	313,431
			<u> </u>	<u> </u>
16	Creditors: amounts falling due within one year		2020	2019
		Notes	£	£
	Bank loans	15	8,428	8,090
	Other taxation and social security		21,355	5,821
	Trade creditors		22,692	8,458
	Accruals and deferred income		403,343	71,551
			<u> </u>	<u> </u>
			455,818	93,920
			<u> </u>	<u> </u>
17	Creditors: amounts falling due after more than one year		2020	2019
		Notes	£	£
	Bank loans	15	305,691	313,431
			<u> </u>	<u> </u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

18 Related party transactions

CooperDaly Solutions & Support LLP is a business which Claire Cooper and Jennifer Daly, two of the trustees of Magic (UK) Limited own.

During the year ended 30 April 2020 no sales were raised from Magic (UK) Limited to Cooper Daly Solutions & Support LLP. Sales to the sum of £5,048 were raised from CooperDaly Solutions and Support LLP to Magic (UK) Ltd for training and consulting services.

At the year-end no amounts were due to or from the related party.

19 Secured Debt

HSBC bank registered a fixed and floating charge over the charity's assets dated 22 July 2014.

HSBC bank registered a legal mortgage over the freehold premises of the charity dated 14 January 2016.

20 Cash generated from operations	2020 £	2019 £
Surplus for the year	130,132	91,295
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	-	4,797
Depreciation and impairment of tangible fixed assets	18,975	13,398
Movements in working capital:		
Decrease in stocks	200	-
(Increase) in debtors	(289,541)	(12,754)
Increase/(decrease) in creditors	361,560	(6,314)
Cash generated from operations	221,326	90,422

21 Analysis of changes in net (debt)/funds

	At 1 May 2019 £	Cash flows £	At 30 April 2020 £
Cash at bank and in hand	120,097	71,006	191,103
Loans falling due within one year	(8,090)	(338)	(8,428)
Loans falling due after more than one year	(313,431)	7,740	(305,691)
	<u>(201,424)</u>	<u>78,408</u>	<u>(123,016)</u>

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.