

Charity registration number 1163885

Company registration number 08045437 (England and Wales)

**MAGIC (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**

# MAGIC (UK) LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs C Cooper Mrs J Daly Miss K Boon Miss Carole Hobbs
<b>Charity number</b>	1163885
<b>Company number</b>	08045437
<b>Trading Name</b>	City of Rochester School
<b>Registered office</b>	Bradbury House View Road Cliffe Woods Rochester Kent ME3 8UJ
<b>Auditor</b>	Crossley Financial Accounting Limited Star House Star Hill Rochester Kent ME1 1UX

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# MAGIC (UK) LIMITED

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# **MAGIC (UK) LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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The trustees present their annual report and financial statements for the year ended 30 April 2022.

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.

With the growth of the school, the objectives are currently in the process of being reviewed.

## **MAGIC (UK) LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Significant Activities**

The organisation operates the following activities for its beneficiaries:

##### **City of Rochester School**

The Charity provides an enriched, relevant and bespoke curriculum to pupils who have an EHCP with their primary need being ASD. The majority of our pupils come from the Medway Towns and Kent area. The pupils who attend are aged 5-18 years and currently, 47 pupils are on role.

Sadly for many of our pupils, education has been a negative and often traumatic experience. Our well-being team is a strength of the charity offering emotional support to our pupils, improving their mental well-being and re-engaging families into supporting and valuing the benefits a good education can provide.

In having high ambition to raise aspirations for pupils with SEND and offer wider opportunities, the charity has registered as a 'test centre' so that pupils can now take part in nationally recognised qualifications that employers require. These include GCSE and BTEC's. We also support pupils in their driving theory and driving lessons. We offer careers advice to all our pupils and from ongoing discussions we create informed plans that identify the right career paths and qualifications needed to access the preferred profession for our pupils.

We have 5 minibuses that allow us to extend our curriculum offer outside the school setting. We work with the local community and alternative providers to organise learning opportunities that develop life skills and social skills including cookery sessions with a chef in a cookery school, riding lessons and stable school at a local riding stable and motor mechanics courses with a local garage.

We work closely with parents and families to ensure they can access fully, the support available to them from other specialist services. Our pastoral support ensures that the relationships with parents is positive leading to pupils attending school on a more regular basis.

We have a commitment to staff training. We aim for all staff to be highly skilled so that our pupils have the best opportunities.

We have extensively refurbished the building to make it fit for purpose and compliant in meeting health and safety standards

#### **Volunteers**

During the year 0 volunteers have provided their services to the charity which equated to 0 hours of donated time.

## **MAGIC (UK) LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Achievements and performance**

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

At the last AGM the Trustees agreed to review and amend the Articles of Association and update the objectives to reflect the current provision.

The global Covid pandemic's affects have continued to have significant impact upon some of our services previously held as we look to return to a state of normality. In terms of the charity as a whole however, the pandemic did not have any significant financial impact. City of Rochester School remained open throughout as it is designated a special school so was and is not subject to the school closures. Coffee mornings for parents have been re-instated on a monthly basis and are proving to be very popular. Other activities previously undertaken prior to the pandemic are being reviewed moving forward.

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 where pupils were unable to physically attend the school during the pandemic. We 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. The lessons learned from this have enabled us to commence looking at ways that we can support pupils unable to attend the school for other reasons through outreach so as to help support more young people moving forward.

#### **Key Performance Indicators**

Tuition income as a percentage of total income - £2,322,591, 98% of total income, 1% down on the previous year but an increase of £571,677 on the previous period

Staff costs are £1,761,464, which is 79.5% of total expenditure, an increase of 0.5% from last year. Wages as a percentage of total income are 72.4% in 2022, 71.4% in 2021, 76.1% in 2020, 52.9% in 2019, 69.8% in 2018 and 78.7% in 2017.

Donations of £1,059 in 2022, are down 81.2% from last year, and are less than 0.05% of total income in 2022

In November 2018 Ofsted inspected the school and rated it inadequate. In July 2021, Ofsted returned and rated the school Good overall with outstanding leadership and personal development. We are really proud of this achievement and the recognition of the charity's work can be read in the report.

The school roll has expanded from 45 to 47 pupils

## **MAGIC (UK) LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Financial review**

The charity has again continued to grow over the period with the number of referrals to City of Rochester School increasing. More staff and pupils have been brought on board and the school building is nearing the point of current capacity, an education specialist architect has been approached to look at ways to increase space at the school through new buildings and efficient use of existing spaces. Money has continued to be invested in the buildings infrastructure including updating heating and IT capabilities, plus also continuing to develop areas to maximise efficiency and accessibility.

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.

The split between pupils funded by Medway and by Kent local authorities has remained roughly constant during the period, maintaining the mitigation of risks involved with funding streams. Kent have implemented their new bidding process however we have yet to see a change in the way potential pupils are referred. There has been no change to existing placements through the new process however future placements numbers will have to be monitored as their new system takes affect.

Significant increases in costs during the period and beyond such as soaring electricity and vehicle fuel costs have been mitigated by effective planning and ensuring efficient use of resources. In addition a 3% increase of fees for Kent and Medway has been agreed to further compensate for the rising costs.

#### **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 re-invested 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 2 months' pay for employees and are working towards this.

There were cash and cash equivalents at end of year of £467,323 compared to £332,455 in 2021, £191,103 in 2020, £120,097 in 2019 and £59,419 in 2018, demonstrating an overall increasing trend towards this goal.

#### **Future Plans**

Continued growth towards filling the 60 available school places with 47 pupils on roll as at the time of writing. Investment and modernisation of the building to facilitate this growth is ongoing, including looking at additional teaching spaces through the extending the current facilities by temporary or permanent structure and/or alternative additional sites.

# MAGIC (UK) LIMITED

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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### 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

Mrs C Cooper

Mrs J Daly

Miss K Boon

Miss Carole Hobbs

#### 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 space 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.charitycommission.gov.uk/publications/cc3.aspx](http://www.charitycommission.gov.uk/publications/cc3.aspx)
- Membership of the National Governors Association (NGA) to help with the understanding of how schools operate and the charity trustees role in guiding this

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.



## **MAGIC (UK) LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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#### **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.

#### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

In accordance with the company's articles, a resolution proposing that Crossley Financial Accounting Limited be reappointed as auditor of the company will be put at a General Meeting.

## **MAGIC (UK) LIMITED**

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

***FOR THE YEAR ENDED 30 APRIL 2022***

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#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

**Mrs C Cooper**

Trustee

Dated: 30 January 2023

# MAGIC (UK) LIMITED

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

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### Opinion

We have audited the financial statements of Magic (UK) Limited (the 'charity') for the year ended 30 April 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 2022 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### 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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### 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.

## **MAGIC (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF MAGIC (UK) LIMITED**

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##### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# MAGIC (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF MAGIC (UK) LIMITED

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#### Risks

Based on our understanding of the company and industry, we identified that the principle risks of non-compliance with laws and regulations related to compliance with; Safeguarding legislation; Ofsted standards; and Health and Safety regulations.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct impact on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include data protection and employment.

We evaluated managements motivations and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, posting inappropriate journals entries to increase turnover or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements such as deferred income and useful lives of assets.

#### Audit response

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management
- Understanding of management's internal controls designed to prevent and detect irregularities.
- Reviewing relevant meeting minutes
- Review of tax compliance
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of testing of expenses
- Testing transactions entered into outside the normal course of business
- Substantive tests of detail of revenue and expenditure
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, by for example, forgery, or intentional misrepresentation, or though collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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**

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#### **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**

31 January 2023

#### **Chartered Accountants**

Star House  
Star Hill  
Rochester  
Kent  
ME1 1UX

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 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 2022

		Unrestricted funds 2022 £	Total 2021 £
<b>Income from:</b>	<b>Notes</b>		
Donations and legacies	3	46,245	22,312
Income from charitable activities	4	2,322,591	1,814,807
Other trading activities	5	249	360
<b>Total income</b>		<b>2,369,085</b>	<b>1,837,479</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Charitable activities expenditure	6	2,216,413	1,661,916
<b>Net income for the year/ Net movement in funds</b>		<b>152,672</b>	<b>175,563</b>
Fund balances at 1 May 2021		513,645	336,458
<b>Fund balances at 30 April 2022</b>		<b>666,317</b>	<b>512,021</b>

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 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		832,055		807,784
<b>Current assets</b>					
Stocks	12	-		100	
Debtors	13	93,676		51,137	
Cash at bank and in hand		467,323		332,455	
		<u>560,999</u>		<u>383,692</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(406,872)</u>		<u>(341,100)</u>	
Net current assets			<u>154,127</u>		<u>42,592</u>
<b>Total assets less current liabilities</b>			<u>986,182</u>		<u>850,376</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(319,865)</u>		<u>(338,355)</u>
<b>Net assets</b>			<u><u>666,317</u></u>		<u><u>512,021</u></u>
<b>Income funds</b>					
Unrestricted funds - general			<u>666,317</u>		<u>512,021</u>
			<u><u>666,317</u></u>		<u><u>512,021</u></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 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 30 January 2023

Mrs C Cooper  
Trustee

Company registration number 08045437



## MAGIC (UK) LIMITED

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		217,135		364,190
<b>Investing activities</b>					
Purchase of tangible fixed assets		(66,686)		(264,344)	
<b>Net cash used in investing activities</b>			(66,686)		(264,344)
<b>Financing activities</b>					
Repayment of bank loans		(17,205)		41,507	
<b>Net cash (used in)/generated from financing activities</b>			(17,205)		41,507
<b>Net increase in cash and cash equivalents</b>			133,244		141,353
Cash and cash equivalents at beginning of year			332,455		191,103
<b>Cash and cash equivalents at end of year</b>			<u>467,323</u>		<u>332,455</u>

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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### 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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
Freehold 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 the statement of financial activities.

#### 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.

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies (Continued)

#### 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.

##### **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 £10 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.

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 3 Donations and legacies

	<b>Unrestricted funds general 2022</b>	Total 2021
	£	£
Donations and gifts	1,059	5,645
Funding within charitable activities	45,186	16,667
	<u>46,245</u>	<u>22,312</u>
<b>Grants receivable for core activities</b>		
Government grants and support	45,186	16,667
	<u>45,186</u>	<u>16,667</u>

### 4 Income from charitable activities

	<b>Unrestricted 2022</b>	Unrestricted 2021
	£	£
Tuition	2,322,591	1,814,807
	<u>2,322,591</u>	<u>1,814,807</u>

### 5 Other trading activities

	<b>Unrestricted funds general 2022</b>	Unrestricted funds general 2021
	£	£
Trading activity income: other	249	360
	<u>249</u>	<u>360</u>

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 6 Charitable activities expenditure

	Unrestricted 2022 £	TotalUnrestricted 2022 £	2021 £	Total 2021 £
Staff costs	1,761,464	1,761,464	1,312,824	1,312,824
Depreciation and impairment	42,415	42,415	32,048	32,048
Premises Costs	72,497	72,497	73,016	73,016
Office Costs	10,865	10,865	9,921	9,921
Activity Costs	143,131	143,131	64,243	64,243
Travel and Fuel	36,214	36,214	27,586	27,586
Computer and Software	43,113	43,113	37,485	37,485
Training	21,051	21,051	15,221	15,221
Professional Fees	-	-	14,951	14,951
School Supplies	35,065	35,065	37,371	37,371
Magic Bean Cafe	-	-	59	59
Bank Charges and Loan Interest	11,876	11,876	9,705	9,705
Fund Raising Costs	-	-	198	198
	<u>2,177,691</u>	<u>2,177,691</u>	<u>1,634,628</u>	<u>1,634,628</u>
Share of support costs (see note 7)	30,010	30,010	19,368	19,368
Share of governance costs (see note 7)	8,712	8,712	7,920	7,920
	<u>2,216,413</u>	<u>2,216,413</u>	<u>1,661,916</u>	<u>1,661,916</u>
<b>Analysis by fund</b>				
Unrestricted funds - general	<u>2,216,413</u>	<u>2,216,413</u>	<u>1,661,916</u>	<u>1,661,916</u>
<b>For the year ended 30 April 2021</b>				
Unrestricted funds - general	<u>1,661,916</u>			<u>1,661,916</u>
	<u>1,661,916</u>			<u>1,661,916</u>

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

7 Support costs	Support costs	Governance costs	2022 Support costs		Governance costs	2021
	£	£	£	£	£	£
Loss on disposal of tangible assets	-	-	-	2,177	-	2,177
Sundries	9,152	-	9,152	5,538	-	5,538
Marketing	572	-	572	2,623	-	2,623
Recruitment costs	15,338	-	15,338	6,570	-	6,570
Accountancy fees	4,948	-	4,948	2,460	-	2,460
Audit fees	-	8,712	8,712	-	7,920	7,920
	<u>30,010</u>	<u>8,712</u>	<u>38,722</u>	<u>19,368</u>	<u>7,920</u>	<u>27,288</u>
Analysed between Charitable activities	<u>30,010</u>	<u>8,712</u>	<u>38,722</u>	<u>19,368</u>	<u>7,920</u>	<u>27,288</u>

### 8 Trustees

One trustees made two mileage claims amounting to £679.48 during the period.

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was: 49

	2022 Number	2021 Number
Monthly staff	<u>49</u>	<u>34</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	1,353,076	966,100
Social security costs	177,193	126,177
	<u>1,530,269</u>	<u>1,092,277</u>

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

	2022 Number	2021 Number
Head Teacher	<u>1</u>	<u>1</u>

## **MAGIC (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2022***

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#### **10 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 £84,077 (2021 - £83,434).



## MAGIC (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

11 Tangible fixed assets	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 May 2021	844,387	2,652	25,444	23,437	1,050	896,970
Additions	52,277	177	6,552	7,680	-	66,686
At 30 April 2022	896,664	2,829	31,996	31,117	1,050	963,656
<b>Depreciation and impairment</b>						
At 1 May 2021	65,175	2,120	11,104	9,737	1,050	89,186
Depreciation charged in the year	29,056	201	4,357	8,801	-	42,415
At 30 April 2022	94,231	2,321	15,461	18,538	1,050	131,601
<b>Carrying amount</b>						
At 30 April 2022	802,433	508	16,535	12,579	-	832,055
At 30 April 2021	427,500	532	14,340	13,701	-	807,784

# MAGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

<b>12</b>	<b>Stocks</b>		<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
	Valuation		-	100
			<u>          </u>	<u>          </u>
<b>13</b>	<b>Debtors</b>		<b>2022</b>	<b>2021</b>
	<b>Amounts falling due within one year:</b>		<b>£</b>	<b>£</b>
	Trade debtors		76,249	36,733
	Other debtors		8,945	8,499
	Prepayments and accrued income		8,482	5,905
			<u>          </u>	<u>          </u>
			93,676	51,137
			<u>          </u>	<u>          </u>
<b>14</b>	<b>Loans and overdrafts</b>		<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
	Bank loans		338,421	355,626
			<u>          </u>	<u>          </u>
	Payable within one year		18,556	17,271
	Payable after one year		319,865	338,355
			<u>          </u>	<u>          </u>
<b>15</b>	<b>Creditors: amounts falling due within one year</b>		<b>2022</b>	<b>2021</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Bank loans	<b>14</b>	18,556	17,271
	Other taxation and social security		63,208	48,084
	Deferred income	<b>17</b>	255,791	188,822
	Trade creditors		61,397	79,003
	Accruals and deferred income		7,920	7,920
			<u>          </u>	<u>          </u>
			406,872	341,100
			<u>          </u>	<u>          </u>
<b>16</b>	<b>Creditors: amounts falling due after more than one year</b>		<b>2022</b>	<b>2021</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Bank loans	<b>14</b>	319,865	338,355
			<u>          </u>	<u>          </u>

## MAGIC (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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17 Deferred income

	2022	2021
	£	£
Other deferred income	255,791	188,822
	<u>255,791</u>	<u>188,822</u>

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	255,791	188,822
	<u>255,791</u>	<u>188,822</u>
Movements in the year:		
Deferred income at 1 May 2021	188,822	394,855
Released from previous periods	(188,822)	(394,855)
Resources deferred in the year	255,791	188,822
	<u>255,791</u>	<u>188,822</u>
Deferred income at 30 April 2022	255,791	188,822
	<u>255,791</u>	<u>188,822</u>

## MAGIC (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

#### 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 2022 no sales were raised from Magic (UK) Limited to Cooper Daly Solutions & Support LLP. Sales to the sum of £6,126 (2021 - £7,584) 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	2022 £	2021 £
Surplus for the year	152,672	175,563
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	-	2,177
Depreciation and impairment of tangible fixed assets	42,415	32,048
Movements in working capital:		
Decrease in stocks	100	-
(Increase)/decrease in debtors	(42,539)	277,963
(Decrease)/increase in creditors	(2,482)	82,472
Increase/(decrease) in deferred income	66,969	(206,033)
<b>Cash generated from operations</b>	<b>217,135</b>	<b>364,190</b>

21 Analysis of changes in net funds/(debt)	At 1 May 2021 £	Cash flows £	At 30 April 2022 £
Cash at bank and in hand	332,455	134,868	467,323
Loans falling due within one year	(17,271)	(1,285)	(18,556)
Loans falling due after more than one year	(338,355)	18,490	(319,865)
	<u>(23,171)</u>	<u>152,073</u>	<u>128,902</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.