

MAGIC (UK) LIMITED

England & Wales · Charity number 1163885

Details

Other names	MEDWAY AUTISM GROUP & INFORMATION CENTRE, City of Rochester Independent School, MAGIC
Status	Registered
Legal form	Charitable company
Company number	08045437
Registered	2015-10-08
Register	View on the Charity Commission register

Contact

Address	Magic (UK) Ltd Bradbury House View Road Cliffe Woods Rochester ME3 8UJ
Phone	01634570706
Email	schoolcontact@cityofrochesterschool.org
Website	www.cityofrochesterschool.org

Activities

Objects: TO RELIEVE THE NEEDS OF CHILDREN WITH AUTISTIC SPECTRUM DISORDERS AND THEIR FAMILIES, WITHIN THE MEDWAY TOWNS, IN PARTICULAR BUT NOT EXCLUSIVELY BY:PROVIDING A CENTRE OF INFORMATION RELATING TO AUTISM AND COEXISTING DISORDERS,ESTABLISHING AND MAINTAINING A PARENT BASED ADVISORY GROUP FOR INFORMATION SHARING,ARRANGING ACTIVITIES FOR THE PURPOSE OF SOCIAL SKILLS DEVELOPMENT FOR CHILDREN WITH AUTISTIC SPECTRUM DISORDERS OFFERING EXTRA-CURRICULAR ACTIVITIES OTHERWISE UNAVAILABLE TO THEM,PROVIDING AND MANAGING A DROP-IN CENTRE WITHIN THE MEDWAY TOWNS FOR USE BY THE FAMILIES AND THOSE WORKING WITH CHILDREN WITH AUTISTICSPECTRUM DISORDERS, ANDTO CREATE AND MAKE AVAILABLE A DIRECTORY OF LOCAL AGENCIES OFFERING SERVICES FOR FAMILIES WITH CHILDREN WITH AUTISTIC SPECTRUM DISORDERS AND PROFESSIONALS WORKING WITH SUCH CHILDREN.

Activities: City of Rochester School (Magic UK Ltd) is a non profit making charity, offering high quality educational provision for neurodivergent young people from 5 to 18 years old in the Kent and Medway Towns. Our young people are able to flourish and thrive in a supported environment preparing them well for life long learning. We build their confidence and resilience that enables success.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability
- **Who:** Children/young People, People With Disabilities

Geography

- Kent
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2024-04-30	£2,944,835	£2,874,562	£872,080	72
2023-04-30	£2,570,732	£2,435,242	£801,807	58
2022-04-30	£2,369,085	£2,216,413	£666,317	49
2021-04-30	£1,837,479	£1,661,916	£512,021	34
2020-04-30	£1,146,415	£1,016,283	£336,458	19

Trustees

Name	Role	Appointed
Kirstine Boon	Chair	2020-10-01
Diane Martin		2023-10-19
Dr Uzma Choudhry		2024-02-29
Jen Daly		2017-05-22
Peter Chatwell		2024-02-29

MAGIC (UK) LIMITED

England & Wales - Charity number 1163885

Accounts

Registered number: 08045437
Charity number: 1163885

Magic (UK) Limited
(A company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 30 April 2024

Magic (UK) Limited
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 9
Independent auditors' report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 30

Magic (UK) Limited

(A company limited by guarantee)

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 30 April 2024**

Trustees

Jennifer Daly
Kirstine Boon, Chair of Trustees
Carole Hobbs (resigned 31 August 2023)
Diane Martin (appointed 19 October 2023)
Peter Chatwell (appointed 29 February 2024)
Uzma Choudhry (appointed 29 February 2024)

Company registered number

08045437

Charity registered number

1163885

Trading name

City of Rochester School

Registered office

Bradbury House
View Road
Cliffe Woods
Rochester
Kent
ME3 8UJ

Independent auditors

UHY Hacker Young
Chartered Accountants
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Senior leadership team

Headteacher	Alicja Emmett
Assistant Heads	Kelly Lovell
	Sophie Hatcher
	Alix Wilson
	Katie Travers
School Business Manager	Kieran Yates

Magic (UK) Limited

(A company limited by guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 30 April 2024

Bankers

HSBC Bank Plc
6th Floor, 71 Queen Victoria Street
City of London
EC4V 4AY

Solicitors

Martin Tolhurst Solicitors
4 Ambley Green
Gillingham Business Park
ME8 0NJ

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

The Trustees of Magic (UK) Limited, the proprietor of City of Rochester School, present their annual report together with the audited financial statements of the Charity for the year ended 30 April 2024.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

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 center 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 center 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 disorders 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 continued growth of the school, the objectives are currently in the process of being reviewed along with the year end date to help align the charitable objectives and performance with the school.

City of Rochester School's vision, aims and values help achieve and supplement the charitable objectives

Vision: Our ambition at City of Rochester School is for pupils to develop self-confidence, independence and resilience through an engaging and holistic curriculum. This will provide the skills, life experiences and qualifications pupils need to participate successfully in wider society.

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

Aim: Our highly experienced and dedicated team provides an ambitious curriculum that nurtures and challenges our pupils. Our aim is for pupils to be successful at City of Rochester School and for them to be equipped with the skills they need to lead purposeful and productive lives when they leave us. We work collaboratively with families as an integral part of our service, recognising their central role in ensuring their children thrive at school.

Values: City of Rochester School values focus on our motto of "Confidence. Resilience. Success."

- **Confidence** – we value inspirational, aspirational and experiential learning inside and outside the classroom to develop pupils confidence.
- **Resilience** – we value participative learning that develops pupils' thinking and social skills, enabling them to understand their autism and to develop resilience for life.
- **Success** – we value learning outcomes that are holistic and which measure and celebrate pupils' success at school and improve their life chances.

ACHIEVEMENTS AND PERFORMANCE

City of Rochester School

Pupil numbers

Pupil numbers during the year to the end of April 2024 grew in line with expectations to 59 pupils, consisting of 14 girls and 45 boys between the ages of 5 and 18.

Staff numbers

In April 2024 we had 72 employed staff, this is an increase of 9 staff to the same period last year

Parental Engagement

We continue to work closely with parents and families to ensure they can access fully the support available to them from other specialist services. Our excellent pastoral support ensures that the relationships with parents is positive leading to pupils attending school on a more regular basis. We have a number of regular opportunities to welcome parents onto the school which are always well attended.

Our curriculum and outcomes

The Charity provides an enriched, relevant and bespoke curriculum to pupils who have an EHCP with their primary need being autism. The majority of our pupils come from the Medway Towns and Kent area. The pupils who attend are aged 5-18 years and as at the end of April, 59 pupils are on role.

In having high ambition to raise aspirations for pupils with SEND and offer wider opportunities, the school/charity is now able to offer full accredited programmes of study as well as public exams so that pupils can now take part in nationally recognised qualifications that employers require. These include Entry Level qualifications to GCSE and BTECs. In addition, our extended lifeskills programme prepares pupils for life beyond school, teaches them social and community responsibility. It can include supporting pupils in their driving theory and driving lessons. We offer careers advice to all our pupils and from on going discussions we create informed plans that identifies the right career paths and qualifications needed to access the preferred profession for our pupils or further education opportunities.

We have 5 vehicles that allow us to extend our curriculum offer outside the school setting. We work with the local community and external partners to organise learning opportunities that develop life skills and social skills. This includes animal husbandry programmes, attending college for cookery sessions, learning to ride a horse, work experience paint spraying, working in a warehouse, refurbishing furniture, working in a café to give some examples. In addition our pupils are engaged in community projects and these have included working in a nature reserve renovating pathways, working in a church renovating the grounds and kitchen areas and developing an allotment area for a local stables.

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

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

City of Rochester School Vocational College

We were proud to open our Vocational College ahead of schedule in line with our expansion plans.

Our building comprises a workshop where we deliver technical and vocational programmes for all pupils who attend City of Rochester School. In addition, there are classrooms where the Sixth Form pupils are based. KS5 pupils are based at the Vocational College and there is a big focus on preparing them for life post City of Rochester School Vocational College. Our wide range of programmes that all pupils can access include:

- Construction
- Engineering
- Transport and Vehicle
- Public Services
- Hair and Beauty
- Sport
- Computer Science
- Health and Social Care
- Digital Media
- Business Administration
- Driving Theory/Driving Lessons

In addition, pupils also study core subjects and have a wrap around welfare and therapy service – which includes:

- English
- Maths
- ICT
- PSHE
- Extended Lifeskills Programme
- Careers
- Therapies/Interventions
- Extended Work Experience Programmes
- Sponsored Projects from local employers

External accreditation

We were delighted to be able to announce that in September 2024 City of Rochester School was awarded the Advanced specialist Award from the National Autistic Society in recognition of our curriculum and how we support our autistic pupils and staff

"Staff have a working knowledge of evidence-informed approaches associated with good autism practice."

"Each autistic young person develops skills and confident in carrying out tasks independently and in being empowered to make their own leading to them having greater control and self-autonomy in their lives."

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

Kent Teacher Awards

A number of parents and colleagues nominated staff in the Kent Teacher Awards 2024. Our Headteacher was nominated this year and although not an overall winner, her dedication and commitment to the school was recognised, which is something we are very proud of.

Volunteers

During the year 1 volunteer has provided their services to the charity which equated to 30 hours of donated time.

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 buildings have increased with the opening a new vocational center providing 500 square meters of additional space and a 3 room therapies hub on site to increase the number of therapeutic interventions that can be undertaken.

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. Both Kent and Medway have now implemented new bidding processes for pupil referrals, however we have still yet to see a change in the way potential pupils are referred to us and referral numbers remain strong.

Key Performance Indicators

Tuition income as a percentage of total income - £2,931,792 of £2,944,333, 99.6% of total income, 0.2% down on the previous year.

Staff costs are £2,246,397, which is 78.1% of total expenditure, a decrease of 2.1% from last year. As a percentage of total income, staff costs are 76.3% in 2024 compared to 76% in 2023, 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 £5,116 in 2024, are up 0.05% from last year and remain less than 0.2% of total income in 2024.

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.

During the last few financial periods, the trustees in common with other independent schools have invested substantial sums into improving the school buildings and facilities. We are coming to the end of the initial programme of refurbishment and development however there is still some investment required to provide and maintain excellent learning facilities for our pupils

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

With this in mind the trustees have agreed that the level of reserves held should be sufficient to support 3 months pay for employees and are working towards this. The Charity held cash and cash equivalents at end of year of £645,417 compared to £582,961 in 2023 £467,323 in 2022, £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.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

PLANS FOR FUTURE PERIODS

We have created a 5 year strategic plan where we are looking to apply for a material change to our status so we can expand from 60 pupils to 85 pupils over the 5 year period. We will continue to ensure the building is well maintained and staffing levels in line with what is required despite the challenges of recruitment and retention in schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

We have welcomed two new Trustees this year. Our skills set is rich and varied.

The charity, MAGIC (UK) Ltd is the proprietor of City of Rochester School and as such the charity's trustees are also the trustees for the school and are responsible for the overall management and control of both the charity and school. The board meet 6 times per year. The work of implementing most of their policies is carried out by the Senior Leadership Team (SLT). The Company Secretary/School Business Manager is responsible for the preparation of papers and management accounts.

All trustees give their time freely and no remuneration was paid in the year. The Senior Leadership Team (SLT) and Company Secretary/School Business Manager are employees of the charity.

Charity Constitution

Magic (UK) Ltd is a Company Limited by Guarantee as defined by the Companies Act 2006 and is governed by its Articles of Association dated 25 April 2012. It is registered as a charity with the Charity Commission.

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

Organisational Structure/Management

The organisation and its property is administered and managed in accordance with the constitution by the trustees who determine the general policy of the charity and school. The Board of Trustees consists of not less than 3 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. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The Head Teacher, Company Secretary/School Business Manager, Assistant Heads are invited to attend Trustee's meetings.

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. Detailed considerations of risk are delegated to the Head Teacher and Senior Leadership Team. Risks are identified, assessed and controls established throughout the year and the Risk Register updated. The risk register is reviewed regularly by trustees at their meetings and any immediate or high risks brought to the trustees attention immediately. Through the risk management process established for the school, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Key management personnel

The trustees consider that they, together with the Head Teacher and SLT comprise the Key Management Personnel. The trustees give their time freely and are responsible for setting the Head Teacher's pay and pay for any staff falling outside of previously agreed pay ranges. The Trustees have delegated responsibility for pay decisions for all other employees falling within agreed pay ranges. The trustees meet once a year to review the pay and appraisal policy including setting the pay ranges for the upcoming year.

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 a welcome pack and access to Governor Hub, a source of information for governors of schools and a private trustees only shared cloud drive. On Governor Hub 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
- Membership of the National Governors Association (NGA) to help with the understanding of how schools operate and the charity trustees role in guiding this including online training.
- Details and documentation for future trustee meetings

Magic (UK) Limited

(A company limited by guarantee)

Trustees' report

For the year ended 30 April 2024

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.

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.

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 was approved by the Board of Trustees.



Kirstine Boon

Chair of trustees

Dated: 28.1.25

Independent Auditors' Report to the Members of Magic (UK) Limited

Opinion

We have audited the financial statements of Magic (UK) Limited (the 'charity') for the year ended 30 April 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2024 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

Independent Auditors' Report to the Members of Magic (UK) Limited (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Magic (UK) Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the charity and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and trustees as to actual and potential litigation and claims.

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

Magic (UK) Limited
(A company limited by guarantee)

Independent Auditors' Report to the Members of Magic (UK) Limited (continued)

Other matters

The financial statements for the year ended 30 April 2023 were audited by the predecessor auditor, Crossley Financial Accounting Limited. The audit report was issued on 25 January 2024 and expressed an unqualified audit opinion on the financial statements.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

Tracey Moore BFP ACA (Senior statutory auditor)

for and on behalf of

UHY Hacker Young

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 28 January 2025

Magic (UK) Limited
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 30 April 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	2,079	3,037	5,116	5,257
Income from charitable activities	5	2,931,792	-	2,931,792	2,564,837
Investments	6	2,293	-	2,293	58
Other trading activities	7	5,634	-	5,634	580
Total income		2,941,798	3,037	2,944,835	2,570,732
Expenditure on:					
Charitable activities	8	2,873,842	720	2,874,562	2,435,242
Total expenditure		2,873,842	720	2,874,562	2,435,242
Net income		67,956	2,317	70,273	135,490
Transfers between funds	17	(2,960)	2,960	-	-
Net movement in funds		64,996	5,277	70,273	135,490
Reconciliation of funds:					
Total funds brought forward		801,807	-	801,807	666,317
Net movement in funds		64,996	5,277	70,273	135,490
Total funds carried forward		866,803	5,277	872,080	801,807

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 30 form part of these financial statements.

Magic (UK) Limited
(A company limited by guarantee)
Registered number: 08045437

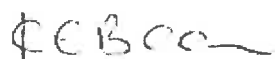
Balance sheet
As at 30 April 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	926,386	886,744
Current assets			
Debtors	14	53,803	23,166
Cash at bank and in hand		645,417	582,961
		<u>699,220</u>	<u>606,127</u>
Creditors: amounts falling due within one year	15	(482,539)	(385,028)
Net current assets		<u>216,681</u>	<u>221,099</u>
Total assets less current liabilities		<u>1,143,067</u>	<u>1,107,843</u>
Creditors: amounts falling due after more than one year	16	(270,987)	(306,036)
Net assets excluding pension asset		<u>872,080</u>	<u>801,807</u>
Total net assets		<u><u>872,080</u></u>	<u><u>801,807</u></u>
Charity funds			
Restricted funds	17	5,277	-
Unrestricted funds	17	866,803	801,807
Total funds		<u><u>872,080</u></u>	<u><u>801,807</u></u>

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 28 January 2025
and signed on their behalf by:



Kirstine Boon
(Chair of Trustees)

The notes on pages 17 to 30 form part of these financial statements.

Magic (UK) Limited
(A company limited by guarantee)

Statement of cash flows
For the year ended 30 April 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	174,413	238,187
Cash flows from investing activities		
Dividends, interests and rents from investments	2,293	-
Proceeds from the sale of tangible fixed assets	-	162
Purchase of tangible fixed assets	(98,850)	(109,394)
Net cash used in investing activities	(96,557)	(109,232)
Cash flows from financing activities		
Repayments of borrowing	(15,400)	(13,317)
Net cash used in financing activities	(15,400)	(13,317)
Change in cash and cash equivalents in the year	62,456	115,638
Cash and cash equivalents at the beginning of the year	582,961	467,323
Cash and cash equivalents at the end of the year	645,417	582,961

The notes on pages 17 to 30 form part of these financial statements

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

1. 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Magic (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 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.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 contingent asset.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

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 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.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Freehold property	- 50 years
Plant and machinery	- 5 years
Motor vehicles	- 5 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2. Accounting policies (continued)

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.11 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.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

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

3. 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 not considered to be relevant. Actual results may differ from these estimates.

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

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations and gifts	2,079	3,037	5,116	5,112
Grant income	-	-	-	145
	<u>2,079</u>	<u>3,037</u>	<u>5,116</u>	<u>5,257</u>
<i>Total 2023</i>	<u>5,257</u>	<u>-</u>	<u>5,257</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Tuition	<u>2,931,792</u>	<u>2,931,792</u>	<u>2,564,837</u>
<i>Total 2023</i>	<u>2,564,837</u>	<u>2,564,837</u>	

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	<u>2,293</u>	<u>2,293</u>	<u>58</u>
<i>Total 2023</i>	<u>58</u>	<u>58</u>	

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

7. Other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Trading activities income: other	5,634	5,634	580
<i>Total 2023</i>	580	580	

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Tuition	2,833,753	40,809	2,874,562	2,435,242
<i>Total 2023</i>	2,390,165	45,077	2,435,242	

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Tuition 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	2,246,397	2,246,397	1,952,192
Depreciation	59,208	59,208	54,543
Premises costs	190,365	190,365	98,499
Office costs	41,184	41,184	29,480
Charitable expenditure	-	-	1,020
Activity costs	113,818	113,818	111,519
Travel and fuel	37,937	37,937	31,248
Computer and software	44,388	44,388	43,921
Bad debt write off	-	-	16,278
Training	24,512	24,512	16,246
School supplies	50,975	50,975	17,581
Bank charges and loan interest	24,969	24,969	17,638
	<u>2,833,753</u>	<u>2,833,753</u>	<u>2,390,165</u>
<i>Total 2023</i>	<u>2,390,165</u>	<u>2,390,165</u>	

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Sundries	14,486	12,724
Marketing	14	5,532
Recruitment fees	13,044	16,057
Accountancy fees	4,015	1,176
Audit fees	9,250	9,588
	<u>40,809</u>	<u>45,077</u>

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £9,250 (2023 - £9,588).

10. Staff costs

	2024 £	2023 £
Wages and salaries	2,009,339	1,742,330
Social security costs	153,490	137,470
Pension	83,568	72,392
	<u>2,246,397</u>	<u>1,952,192</u>

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Monthly staff	<u>65</u>	<u>58</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The total amount of remuneration (including employer pensions contributions and employee benefits) paid to key management personnel, which comprises the Trustees and the Senior Leadership Team, for their services to the charity for the year was £172,661 (2023: £154,398).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 30 April 2024, no Trustee expenses have been incurred (2023 - £NIL). The comparative balance relating to the reimbursement of Trustees' expenses has been restated as the previous year's published accounts incorrectly disclosed that £679 had been reimbursed to one Trustee in respect of mileage. This was a duplication of the note included in the statutory accounts for the year ended 30 April 2022.

12. Taxation

The charity is exempt from tax on income and gains falling within 505 of the taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 May 2023	937,626	26,081	1,050	61,001	37,481	1,063,239
Additions	43,145	26,476	-	13,020	16,209	98,850
At 30 April 2024	980,771	52,557	1,050	74,021	53,690	1,162,089
Depreciation						
At 1 May 2023	125,910	4,788	1,050	17,630	27,117	176,495
Charge for the year	35,549	936	-	13,668	9,055	59,208
At 30 April 2024	161,459	5,724	1,050	31,298	36,172	235,703
Net book value						
At 30 April 2024	819,312	46,833	-	42,723	17,518	926,386
At 30 April 2023	811,716	21,293	-	43,371	10,364	886,744

14. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	6,674	420
Other debtors	10,888	2,045
Prepayments and accrued income	36,241	20,701
	53,803	23,166

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Bank loans	38,717	19,068
Trade creditors	54,215	13,400
Other taxation and social security	44,230	44,534
Other creditors	19,084	13
Accruals and deferred income	326,293	308,013
	<u>482,539</u>	<u>385,028</u>
	2024	2023
	£	£
Other deferred income		
Deferred income at 1 May 2023	271,882	255,791
Release from previous periods	(271,882)	(255,791)
Resources deferred in the year	290,162	271,882
	<u>290,162</u>	<u>271,882</u>

16. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Bank loans	270,987	306,036

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.

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

17. Statement of funds

Statement of funds - current year

	Balance at 1 May 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 April 2024 £
Unrestricted funds					
General	801,807	2,941,798	(2,873,842)	(2,960)	866,803
Restricted funds					
Duke of Edinburgh	-	2,037	-	-	2,037
Chatham Maritime Community Trust	-	1,000	(720)	-	280
St. James's Place	-	-	-	2,500	2,500
Other restricted funds	-	-	-	460	460
	-	3,037	(720)	2,960	5,277
Total of funds	801,807	2,944,835	(2,874,562)	-	872,080

The specific purposes for which the restricted funds are to be applied are as follows:

The Duke of Edinburgh grant fund is used to track grant funding received from the Duke of Edinburgh for purchasing equipment for the Duke of Edinburgh offering at the school.

The Chatham Maritime Community Trust fund tracks grant funding received for the provision and installation of a bubble tube for the sensory room.

The St. James's Place funds carried forward are to be used for the school's music studio project.

The transfer of £2,960 out of unrestricted funds has been made to reflect the restricted income received in previous years, which had not been accounted for as restricted funds.

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 May 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 30 April 2023</i>
	£	£	£	£
Unrestricted funds				
General	666,317	2,570,732	(2,435,242)	801,807

18. Summary of funds

Summary of funds - current year

	Balance at 1 May 2023	Income	Expenditure	Transfers in/out	Balance at 30 April 2024
	£	£	£	£	£
General funds	801,807	2,941,798	(2,873,842)	(2,960)	866,803
Restricted funds	-	3,037	(720)	2,960	5,277
	<u>801,807</u>	<u>2,944,835</u>	<u>(2,874,562)</u>	<u>-</u>	<u>872,080</u>

Summary of funds - prior year

	<i>Balance at 1 May 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 30 April 2023</i>
	£	£	£	£
General funds	666,317	2,570,732	(2,435,242)	801,807

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	926,386	-	926,386
Current assets	693,943	5,277	699,220
Creditors due within one year	(482,539)	-	(482,539)
Creditors due in more than one year	(270,987)	-	(270,987)
Total	866,803	5,277	872,080

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	886,744	886,744
Current assets	606,127	606,127
Creditors due within one year	(385,028)	(385,028)
Creditors due in more than one year	(306,036)	(306,036)
Total	801,807	801,807

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	70,273	135,490
Adjustments for:		
Depreciation charges	59,208	54,543
Dividends, interests and rents from investments	(2,293)	-
(Increase)/Decrease in debtors	(30,637)	70,510
Increase/(Decrease) in creditors	77,862	(22,356)
Net cash provided by operating activities	174,413	238,187

21. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	645,417	582,961
Total cash and cash equivalents	645,417	582,961

22. Analysis of changes in net debt

	At 1 May 2023 £	Cash flows £	At 30 April 2024 £
Cash at bank and in hand	582,961	62,456	645,417
Debt due within 1 year	(19,068)	(19,649)	(38,717)
Debt due after 1 year	(306,036)	35,049	(270,987)
	257,857	77,856	335,713

23. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £83,569 (2023: £76,550) on behalf of employees who have opted into the scheme. Of these contributions £12,089 (2023: £10,327) remained outstanding at the balance sheet date and is included within current liabilities.

Magic (UK) Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 30 April 2024

24. Operating lease commitments

At 30 April 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	51,729	22,360
Later than 1 year and not later than 5 years	137,872	8,696
	<u>189,601</u>	<u>31,056</u>

25. Related party transactions

During the previous year to 30 April 2023, Cooper Daly Solutions and Support LLP invoiced Magic (UK) Limited for training and consultancy services provided to the charity which totalled £8,168, inclusive of VAT (this is a restatement of the balance reported in the prior year's financial statements, which was incorrectly stated as £808). Claire Cooper and Jennifer Daly were partners in the LLP during the period in which the services were provided, and were also Trustees of Magic (UK) Limited. Claire Cooper resigned as a Trustee of Magic (UK) Limited on 13 March 2023. No amounts were outstanding at the prior year's Balance Sheet date of 30 April 2023. There have been no transactions during the current year with the LLP.

Magic (UK) Limited entered into lease agreements with Dr. Uzma Choudhry (trustee) and Shahbaz Jehangir Choudhry, paying a total of £17,951 during the year (2023: £nil). The payments were made on standard terms. At the year end, no balances were due to or from the related party.

MAGIC (UK) LIMITED

England & Wales - Charity number 1163885

Accounts

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 2023

MAGIC (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Daly Miss Kirstine Boon Mrs D Martin	(Appointed 19 October 2023)
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 ME1 1UX	

MAGIC (UK) LIMITED

CONTENTS

	Page
Trustees' report	1 - 11
Independent auditor's report	12 - 14
Statement of financial activities	15
Statement of financial position	16
Statement of cash flows	17
Notes to the financial statements	18 - 27

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 30 APRIL 2023

The trustees present their annual report and financial statements for the year ended 30 April 2023.

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).

Charity 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 continued growth of the school, the objectives are currently in the process of being reviewed along with the year end date to help align the charitable objectives and performance with the school.

City of Rochester School's vision, aims and values help achieve and supplement the charitable objectives:

Vision: Our ambition at City of Rochester School is for pupils to develop self-confidence, independence and resilience through an engaging and holistic curriculum. This will provide the skills, life experiences and qualifications pupils need to participate successfully in wider society.

Aim: Our highly experienced and dedicated team provides an ambitious curriculum that nurtures and challenges our pupils. Our aim is for pupils to be successful at City of Rochester School and for them to be equipped with the skills they need to lead purposeful and productive lives when they leave us. We work collaboratively with families as an integral part of our service, recognising their central role in ensuring their children thrive at school.

Values: City of Rochester School values focus on our motto of "Confidence. Resilience. Success."

- **Confidence** – we value inspirational, aspirational and experiential learning inside and outside the classroom to develop pupils confidence.
- **Resilience** – we value participative learning that develops pupils' thinking and social skills, enabling them to understand their autism and to develop resilience for life.
- **Success** – we value learning outcomes that are holistic and which measure and celebrate pupils' success at school and improve their life chances.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Progress against objectives:

Help and support families with children with autistic spectrum disorder within the Medway towns.

City of Rochester School supports 55 pupils and their families through its function and purpose as a school. The school has a large welfare team of 4 members of staff and a full time SENCO. The team regularly support both the pupils and their families, regularly liaising with the whole family to provide support and assistance as required. The welfare team regularly complete home visits, attend multi disciplinary meetings with social workers and other professionals to ensure the best outcomes for pupils.

Provide a center of information relating to autism and co-existing disorders.

City of Rochester School has an excellent training and support program for staff and has ensured that as the team of employees has grown we have been able to maintain and provide a center of excellence and information relating to autism and co-existing disorders. Training over the period has included SCERTS, Team Teach, Makaton, ADHD, Occupational Therapy, Speech and Language, and Trauma. In 2023, the school achieved its Advanced Status Autism Accreditation through the National Autistic Society as well as a Gold Learning Outside the Classroom Quality Mark. In addition, the school employs a number of staff who themselves have a diagnosis of ASD who can provide first hand information and experience to staff and pupils alike.

Establish and maintain a parent based advisory group for sharing information.

The school has an established Parent Advisory Group (PAG) where parents/carers are involved in the development of key policies, curriculum decisions and the sharing of advice between them.

Arrange activities for the purpose of social skills development for children with autism spectrum disorders offering extras curricular activities otherwise unavailable to them.

Youth clubs, lunch clubs, social activities by the school

City of Rochester School recognises the importance of social skills for its pupils and embed this within the learning and curriculum offered through the specialised, individualised approach to curriculum planning and implementation. Pupils experience a wide range of opportunities including: visits to major cities, visits to the Houses of Parliament, rock climbing, archery, land based studies, history projects, music projects and STEM projects. In addition however, a number of specialist lunchtime and after school clubs have been set up to help pupils develop their social skills.

Provide and manage a drop-in center within the Medway towns for use by families and those working with children with autism spectrum disorders.

All parents/carers and families are welcomed into the school to visit as often as they wish and to receive support from our welfare team and teaching and support staff. Regular training and support sessions have been provided for parents/carers and families that include: sleep hygiene, Early Help, Occupational Therapy, Speech and Language, routines at home to provide some examples.

Create and make available a directory of local agencies offering services for families with children with autism spectrum disorders and professionals working with such children

The welfare team and SENCO at City of Rochester School have a wealth of knowledge and experience between them. Each has contacts amongst various departments of agencies and organisations that can support our pupils and their families. Rather than a one size fits all approach, the welfare team and SENCO make this knowledge available to the families of our pupils on a bespoke basis to make sure that the information is correct for them and their enquiry. We have a parent/carer hub which enables us to support and signpost our school community.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Significant Activities

The organisation operates the following activities for its beneficiaries:

City of Rochester School

Pupil numbers

Pupil numbers during the year to the end of April 2023 grew in line with expectations to 49 pupils, consisting of 7 girls and 42 boys between the ages of 5 and 18.

Staff numbers

Staff numbers during the year continued the trend of growth ending with 63 Employees as at the end of April 2023 from 52 as at April 2022. With April 2021 staffing at 41 and April 2020 at 26 this helps to illustrate the ongoing investment in staff and support for our pupils and their families.

Academic

The Charity provides an enriched, relevant and bespoke curriculum to pupils who have an EHCP with their primary need being autism. The majority of our pupils come from the Medway Towns and Kent area. The pupils who attend are aged 5-18 years and as at the end of April, 49 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 school 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 school/charity is now able to offer full accredited programmes of study as well as public exams so that pupils can now take part in nationally recognised qualifications that employers require. These include Entry Level qualifications to GCSE and BTECs. In addition, our extended life skills programme prepares pupils for life beyond school, teaches them social and community responsibility. It can include supporting pupils in their driving theory and driving lessons. We offer careers advice to all our pupils and from on going discussions we create informed plans that identifies the right career paths and qualifications needed to access the preferred profession for our pupils or further education opportunities.

We have 5 minibuses that allow us to extend our curriculum offer outside the school setting. We work with the local community and external partners to organise learning opportunities that develop life skills and social skills. This includes animal husbandry programmes, attending college for cookery sessions with a chef, riding lessons and motor mechanics courses with a local college.

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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Example of Co-curricular activities:

World Cultural Diversity Day:

On Friday 20th May 2022, the whole school celebrated World Cultural Diversity Day with an exhibition and activities in the hall, displays on classroom doors, dressing up and in class activities and assemblies. All students had the opportunity to take part by looking at displays, handling objects, joining in a wealth of food tasting and enjoying various hands-on activities. This included Henna hand painting, traditional Pakistani buttermilk making, making the Leaning Tower of Pisa out of spaghetti and marshmallows, potato stamping, making clay mud huts, learning different languages and a range of arts and crafts activities. There was a real buzz in the hall, with students and staff actively engaged in the activities, enjoying the new tastes from around the world and students socialising with their peers and staff. The event was supported by all students and staff. Several members of staff brought in and shared personal items from their cultural heritage and also cooked traditional foods to share. Students were also involved in preparing for the day by cooking and creating displays. Members of Mercury Class acted as 'tour guides' showing students from other classes around the displays and demonstrating the activities

Learning Outside the Classroom Award:

We were delighted to be able to announce that in December 2022, City of Rochester School was awarded the Learning Outside the Classroom (LoTC) Gold Quality Mark in recognition of our curriculum and how our love of the outdoors, nature and our experiential curriculum is a fundamental part of our offer.

Example of Community Projects:

Members of Mars class took on a community project, working hard cleaning up Grain beach from litter and rubbish that had been dumped there.

Pupils in the upper school were engaged in 2 other community projects throughout the year, one at St Francis Church where pupils were helping with general maintenance and upkeep for the church. Giovanni, the Estates Manager said: "On behalf of St Francis and the community we serve here in South Strood, we thank you for your invaluable support and commitment with the work you do with us and we look forward to an ongoing working partnership."

The other project was at Cliffe Pools Nature Reserve where pupils helped to make and erect signposts for the walks around the lakes, gathered fire wood for the large fire pit, pruned shrubberies and painted fences. Two pupils worked on a media project gathering information and photos with which to create a calendar.

Music:

The summer term experiential for the school was music. Rich Rhythms had our pupils learning not only to play the Djembe Drum but also about its origins and projects looking at the art around it. The pupils used concentration and listening skills to play in a "call and response" style where the leader plays a rhythm which the pupils then play back.

Medway Youth Awards:

Three of our pupils were finalists at the prestigious Medway Youth Awards. They attended the awards evening on Wednesday 9th November at Gillingham Football Club, Priestfield Stadium with staff, parents, family and friends in attendance. One pupil won in her category.

Kent Teacher Awards:

A number of parents and colleagues nominated staff in the Kent Teacher Awards 2023. Our Headteacher was overjoyed to read the nominations and to endorse some of these. Our Caretaker Garry won an award for his amazing work supporting the pupils and his dedication to ensure that pupils are able to achieve everything that they can.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Future Plans

Short term:

The trustees intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education and pastoral support for our pupils. Ensuring our pupils achieve their full potential is a constant aim whilst maintaining the breadth and depth of the education provided.

The trustees need to maintain an equitable balance ensuring our pupils obtain the best education whilst at the same time, ensuring a sound infrastructure and financial base are preserved for future pupils. The Trustees therefore continue to plan to grow the reserves towards the aims set out in the Financial Reserves policy while continuing to modernise and grow the school buildings and facilities.

Part of the planned ongoing growth is the setting up of a vocational center from which the school can provide an increased range of curricular activities including expanding the offer to include a broader range of vocational and technical learning pathways and an extended lifeskills and work experience opportunities. The provision has been shaped from local and national employment data. The school is currently in the process of securing a lease on a nearby building that will provide and additional 250 square meters of workshop space and a further 250 square meters of classroom space to facilitate this growth in vocational learning. This will have the added benefit of enabling the school to request an review of the number of pupils it may have on role and potentially increase these from 60 pupils to 80.

Long term:

Having completed the first 5 years of the school, the Trustees are currently working with the School Business Manager and Headteacher to develop a new 5 year plan to further improve the quality of the provision and consider further opportunities to support young people in the Medway towns.

Volunteers

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

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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Key Performance Indicators

Tuition income as a percentage of total income - £2,564,837 of £2,570,732, 99.8% of total income, 1.8% up on the previous year.

Staff costs are £1,952,192, which is 80.2% of total expenditure, an increase of 0.7% from last year. As a percentage of total income, staff costs are 76% in 2023 compared to 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 £5,112 in 2023, are up 483% from last year, but are less than 0.2% of total income in 2023

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 and we are currently in the process of opening a new vocational centre providing 500 square meters of additional space. Money has continued to be invested in the buildings infrastructure, continuing to develop areas to maximise efficiency and accessibility including the building of a new 3 room therapies hub on site to increase the number of therapeutic interventions that can be undertaken.

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. Both Kent and Medway have now implemented new bidding processes for pupil referrals, however we have still yet to see a change in the way potential pupils are referred to us and referral numbers remain strong.

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.

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.

During the last few financial periods, the trustees in common with other independent schools have invested substantial sums into improving the school buildings and facilities. We are coming to the end of the initial programme of refurbishment and development however there is still some investment required to provide and maintain excellent learning facilities for our pupils.

With this in mind the trustees have agreed that the level of reserves held should be sufficient to support 3 months pay for employees and are working towards this.

There were cash and cash equivalents at end of year of £582,961 compared to £467,323 in 2022, £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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Structure, governance and management

The charity, MAGIC (UK) Ltd is the proprietor of City of Rochester School and as such the charity's trustees are also the trustees/governors for the school and are responsible for the overall management and control of both the charity and school. The board meet 6 times per year. The work of implementing most of their policies is carried out by the Senior Leadership Team (SLT). The Company Secretary/School Business Manager is responsible for the preparation of papers and management accounts.

All trustees give their time freely and no remuneration was paid in the year. The SLT and Company Secretary/School Business Manager are employees of the charity.

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	(Resigned 13 March 2023)
Mrs J Daly	
Miss Kirstine Boon	
Miss Carole Hobbs	(Resigned 31 August 2023)
Mrs D Martin	(Appointed 19 October 2023)

Headteacher

Mrs A Emmett

Company Secretary / School Business Manager

Mr Kieran Yates FCMI

Contact Details

Address:	City of Rochester School Bradbury House View Road Cliffe Woods ME3 8UJ
Website:	www.cityofrochesterschool.org

Professional Advisors

Bankers	HSBC Bank Plc 6th Floor, 71 Queen Victoria Street City of London EC4V 4AY
Solicitors	Martin Tolhurst Solicitors 4 Ambley Green Gillingham Business Park ME8 0NJ

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

Insurance Brokers

Martin Insurance Limited
Martin House
101 High Street
Rochester
ME1 1LX

Auditors

Crossley Financial Accounting Limited
Star House
Star Hill
Rochester
ME1 1UX

Recruitment and Appointment of New Trustees

Once a new trustee has been recruited in lies 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 pace 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
- 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 uses 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 2023

Organisational Structure

The organisation and its property is administered and managed in accordance with the constitution by the trustees who determine the general policy of the charity and school.

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. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The Head Teacher, Company Secretary/School Business Manager, Deputy and Assistant Heads are invited to attend Trustee's meetings.

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. Detailed considerations of risk are delegated to the Head Teacher and Senior Leadership Team. Risks are identified, assessed and controls established throughout the year and the Risk Register updated. The risk register is reviewed regularly by trustees at their meetings and any immediate or high risks brought to the trustees attention immediately. Through the risk management process established for the school, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Key Management Personnel

The trustees consider that they, together with the Head Teacher and SLT comprise the Key Management Personnel. The trustees give their time freely and are responsible for setting the Head Teacher's pay and pay for any staff falling outside of previously agreed pay ranges. The Trustees have delegated responsibility for pay decisions for all other employees falling within agreed pay ranges. The trustees meet once a year to review the pay and appraisal policy including setting the pay ranges for the upcoming year.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2023

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.

Miss Kirstine Boon

Trustee

Dated: 24 January 2024

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 2023 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 2023 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

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.

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.

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

25 January 2024

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 2023

		Unrestricted funds 2023 £	Total 2022 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	5,257	46,245
Income from charitable activities	4	2,564,837	2,322,591
Other trading activities	5	638	249
Total income		2,570,732	2,369,085
<u>Expenditure on:</u>			
<u>Raising funds</u>			
Charitable activities expenditure	6	2,435,242	2,216,413
Net income for the year/ Net movement in funds		135,490	152,672
Fund balances at 1 May 2022		666,317	513,645
Fund balances at 30 April 2023		801,807	666,317

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		886,744		832,055
Current assets					
Debtors	13	23,166		93,676	
Cash at bank and in hand		582,961		467,323	
		<u>606,127</u>		<u>560,999</u>	
Creditors: amounts falling due within one year	15	<u>(385,028)</u>		<u>(406,872)</u>	
Net current assets			221,099		154,127
Total assets less current liabilities			1,107,843		986,182
Creditors: amounts falling due after more than one year	16		(306,036)		(319,865)
Net assets			<u>801,807</u>		<u>666,317</u>
Income funds					
Unrestricted funds - general			801,807		666,317
			<u>801,807</u>		<u>666,317</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 2023, 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 18 January 2024

Miss Kirstine Boon
Trustee

Company registration number 08045437

MAGIC (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	21		238,189		217,135
Investing activities					
Purchase of tangible fixed assets		(109,394)		(66,686)	
Proceeds on disposal of tangible fixed assets		2,844		-	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(106,550)		(66,686)
Financing activities					
Repayment of bank loans		(13,317)		(17,205)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(13,317)		(17,205)
Net increase in cash and cash equivalents			118,322		133,244
Cash and cash equivalents at beginning of year			467,323		332,455
Cash and cash equivalents at end of year			<u>582,961</u>		<u>467,323</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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 2023

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
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 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.

1.8 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 2023

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.

1.9 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.

3 Donations and legacies

	Unrestricted funds general 2023 £	Total 2022 £
Donations and gifts	5,112	1,059
Funding within charitable activities	145	45,186
	<u>5,257</u>	<u>46,245</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

3 Donations and legacies (Continued)

Grants receivable for core activities

Government grants and support	-	45,186
Other grants and support	145	-
	<u>145</u>	<u>45,186</u>

4 Income from charitable activities

	Unrestricted 2023 £	Unrestricted 2022 £
Tuition	<u>2,564,837</u>	<u>2,322,591</u>

5 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Trading activity income: other	<u>638</u>	<u>249</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

6 Charitable activities expenditure

	Unrestricted 2023 £	Total Unrestricted 2023 £	Total 2022 £	Total 2022 £
Staff costs	1,952,192	1,952,192	1,761,464	1,761,464
Depreciation and impairment	54,543	54,543	42,415	42,415
Premises Costs	98,498	98,498	72,497	72,497
Office Costs	29,480	29,480	10,865	10,865
Charitable expenditure heading 3	1,020	1,020	-	-
Activity Costs	111,519	111,519	143,131	143,131
Travel and Fuel	31,248	31,248	36,214	36,214
Computer and Software	43,921	43,921	43,113	43,113
Bad Debt Write Off	16,278	16,278	-	-
Training	16,246	16,246	21,051	21,051
School Supplies	17,581	17,581	35,065	35,065
Bank Charges and Loan Interest	17,638	17,638	11,876	11,876
	<u>2,390,164</u>	<u>2,390,164</u>	<u>2,177,691</u>	<u>2,177,691</u>
Share of support costs (see note 7)	35,490	35,490	30,010	30,010
Share of governance costs (see note 7)	9,588	9,588	8,712	8,712
	<u>2,435,242</u>	<u>2,435,242</u>	<u>2,216,413</u>	<u>2,216,413</u>
Analysis by fund				
Unrestricted funds - general	<u>2,435,242</u>	<u>2,435,242</u>	<u>2,216,413</u>	<u>2,216,413</u>
For the year ended 30 April 2022				
Unrestricted funds - general	<u>2,216,413</u>			<u>2,216,413</u>
	<u>2,216,413</u>			<u>2,216,413</u>

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Sundries	12,725	-	12,725	9,152	-	9,152
Marketing	5,532	-	5,532	572	-	572
Recruitment costs	16,057	-	16,057	15,338	-	15,338
Accountancy fees	1,176	-	1,176	4,948	-	4,948
Audit fees	-	9,588	9,588	-	8,712	8,712
	<u>35,490</u>	<u>9,588</u>	<u>45,078</u>	<u>30,010</u>	<u>8,712</u>	<u>38,722</u>
Analysed between Charitable activities	<u>35,490</u>	<u>9,588</u>	<u>45,078</u>	<u>30,010</u>	<u>8,712</u>	<u>38,722</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

8 Trustees

One trustees made two mileage claims amounting to £679 during the period.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Monthly staff	58	49

Employment costs

	2023 £	2022 £
Wages and salaries	1,555,634	1,353,076
Social security costs	209,862	177,193
	1,765,496	1,530,269

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

	2023 Number	2022 Number
Head Teacher	1	1

10 Key management personnel

The key management personnel of the charity comprise the Head Teacher.

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 £88,898 (2022 - £84,077).

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 May 2022	896,663	2,829	31,996	31,117	1,050	963,655
Additions	44,549	23,252	35,229	6,364	-	109,394
Disposals	(3,586)	-	(6,224)	-	-	(9,810)
At 30 April 2023	937,626	26,081	61,001	37,481	1,050	1,063,239
Depreciation and impairment						
At 1 May 2022	94,231	2,321	15,461	18,538	1,050	131,601
Depreciation charged in the year	31,799	2,467	9,015	8,579	-	51,860
Eliminated in respect of disposals	(120)	-	(6,846)	-	-	(6,966)
At 30 April 2023	125,910	4,788	17,630	27,117	1,050	176,495
Carrying amount						
At 30 April 2023	811,716	21,293	43,371	10,364	-	886,744
At 30 April 2022	802,433	508	16,535	12,579	-	832,055

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	420	76,249
Other debtors	2,045	8,945
Prepayments and accrued income	20,701	8,482
	<u>23,166</u>	<u>93,676</u>

14 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>325,104</u>	<u>338,421</u>
Payable within one year	19,068	18,556
Payable after one year	<u>306,036</u>	<u>319,865</u>

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	14	19,068	18,556
Other taxation and social security		44,534	63,208
Deferred income	17	271,882	255,791
Trade creditors		13,400	61,397
Other creditors		13	-
Accruals and deferred income		36,131	7,920
		<u>385,028</u>	<u>406,872</u>

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	14	<u>306,036</u>	<u>319,865</u>

17 Deferred income

	2023 £	2022 £
Other deferred income	<u>271,882</u>	<u>255,791</u>

Deferred income is included in the financial statements as follows:

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

17 Deferred income

(Continued)

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	271,882	255,791
Movements in the year:		
Deferred income at 1 May 2022	255,791	188,822
Released from previous periods	(255,791)	(188,822)
Resources deferred in the year	271,882	255,791
Deferred income at 30 April 2023	271,882	255,791

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	12,453	-
Between two and five years	9,681	-
	22,134	-

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

19 Related party transactions

CooperDaly Solutions & Support LLP is a business which Claire Cooper and Jennifer Daly own. Jennifer is a trustee of Magic (UK) Limited and Claire is a former trustee.

During the year ended 30 April 2023 no sales were raised from Magic (UK) Limited to Cooper Daly Solutions & Support LLP (2022 - £nil). Sales to the sum of £808 (2022 - £6,126) were raised from CooperDaly Solutions and Support LLP to Magic (UK) Limited for training and consulting services.

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

20 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.

21 Cash generated from operations	2023 £	2022 £
Surplus for the year	135,492	152,672
Adjustments for:		
Depreciation and impairment of tangible fixed assets	54,543	42,415
Movements in working capital:		
(Increase)/decrease in stocks	-	100
Decrease/(increase) in debtors	70,510	(42,539)
(Decrease) in creditors	(38,447)	(2,482)
Increase in deferred income	16,091	66,969
Cash generated from operations	238,189	217,135

22 Analysis of changes in net funds	At 1 May 2022 £	Cash flows £	At 30 April 2023 £
Cash at bank and in hand	467,323	115,638	582,961
Loans falling due within one year	(18,556)	(512)	(19,068)
Loans falling due after more than one year	(319,865)	13,829	(306,036)
	<u>128,902</u>	<u>128,955</u>	<u>257,857</u>

MAGIC (UK) LIMITED

England & Wales - Charity number 1163885

Accounts

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

CONTENTS

	Page
Trustees' report	1 - 7
Independent auditor's report	8 - 11
Statement of financial activities	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15 - 25

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 30 APRIL 2022

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 disorders 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

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 identifies 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

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 £1,761,484, 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

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

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 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.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

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, Alice 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.

Auditor

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

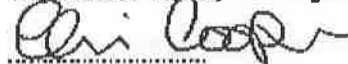
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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: 30/1/23

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 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

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

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 through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/responsibilities>. 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

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

	Notes	Unrestricted funds 2022 £	Total 2021 £
<u>Income from:</u>			
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
Total Income		2,369,085	1,837,479
<u>Expenditure on:</u>			
<u>Raising funds</u>			
Charitable activities expenditure	6	2,218,413	1,661,916
Net Income for the year/			
Net movement in funds		152,672	175,563
Fund balances at 1 May 2021		513,845	336,458
Fund balances at 30 April 2022		666,517	512,021

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 £
Fixed assets			
Tangible assets	11	832,055	807,784
Current assets			
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>
Creditors: amounts falling due within one year	15	<u>(406,872)</u>	<u>(341,100)</u>
Net current assets		<u>154,127</u>	<u>42,592</u>
Total assets less current liabilities		<u>986,182</u>	<u>850,376</u>
Creditors: amounts falling due after more than one year	16	<u>(319,865)</u>	<u>(338,355)</u>
Net assets		<u><u>666,317</u></u>	<u><u>512,021</u></u>
Income funds			
Unrestricted funds - general		<u>666,317</u>	<u>512,021</u>
		<u><u>666,317</u></u>	<u><u>512,021</u></u>

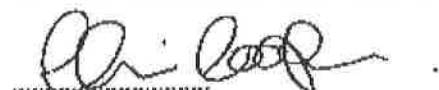
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 April 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 30/1/23



Mrs C Cooper
Trustee

Company registration number 08045437

MAGIC (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		217,135		364,190
Investing activities					
Purchase of tangible fixed assets		(66,686)		(264,344)	
Net cash used in investing activities			(66,686)		(264,344)
Financing activities					
Repayment of bank loans		(17,205)		41,507	
Net cash (used in)/generated from financing activities			(17,205)		41,507
Net increase in cash and cash equivalents			133,244		141,353
Cash and cash equivalents at beginning of year			332,455		191,103
Cash and cash equivalents at end of year			<u>467,323</u>		<u>332,455</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

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

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

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

	Unrestricted funds general 2022 £	Total 2021 £
Donations and gifts	1,059	5,845
Funding within charitable activities	45,186	16,667
	<u>46,245</u>	<u>22,312</u>
Grants receivable for core activities		
Government grants and support	45,186	16,667
	<u>45,186</u>	<u>16,667</u>

4 Income from charitable activities

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

5 Other trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Trading activity income: other	<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 £	Total Unrestricted 2022 £	Total 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	10,885	10,885	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>1,834,628</u>	<u>1,834,628</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>1,861,916</u>	<u>1,861,916</u>
Analysis by fund				
Unrestricted funds - general	<u>2,216,413</u>	<u>2,216,413</u>	<u>1,861,916</u>	<u>1,861,916</u>
For the year ended 30 April 2021				
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	2,823	-	2,823
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	986,100
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

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 £
Cost						
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
Depreciation and impairment						
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
Carrying amount						
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

12 Stocks

	2022 £	2021 £
Valuation	-	100

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	76,248	38,733
Other debtors	8,945	8,499
Prepayments and accrued income	8,482	5,905
	<u>93,676</u>	<u>51,137</u>

14 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>338,421</u>	<u>355,626</u>
Payable within one year	18,556	17,271
Payable after one year	<u>319,865</u>	<u>338,355</u>

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	14	18,556	17,271
Other taxation and social security		63,208	48,084
Deferred income	17	255,791	188,822
Trade creditors		81,397	79,003
Accruals and deferred income		7,920	7,920
		<u>406,872</u>	<u>341,100</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	14	<u>319,865</u>	<u>338,355</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

17 Deferred income

	2022 £	2021 £
Other deferred income	255,791	188,822

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	255,791	188,822
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
Deferred income at 30 April 2022	255,791	188,822

18 Audit report information

The auditor's report was unqualified.

S Meah FCCA (Senior Statutory Auditor)
Crossley Financial Accounting Limited

Chartered Accountants
Statutory Auditor

MAGIC (UK) LIMITED

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

19 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.

20 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.

21 Cash generated from operations	2022 £	2021 £
Surplus for the year	152,672	175,583
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	(42,538)	277,963
(Decrease)/increase in creditors	(2,482)	82,472
Increase/(decrease) in deferred income	88,989	(208,033)
Cash generated from operations	217,135	364,190

22 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	134,888	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>

MAGIC (UK) LIMITED

England & Wales - Charity number 1163885

Accounts

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 2021

MAGIC (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs C Cooper Mrs J Daly Miss K Boon Miss Carole Hobbs	(Appointed 1 November 2020) (Appointed 16 April 2021)
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 - 7
Independent auditor's report	8 - 11
Statement of financial activities	12
Statement of financial position	13 - 14
Statement of cash flows	15
Notes to the financial statements	16 - 25

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 30 APRIL 2021

The trustees present their report and financial statements for the year ended 30 April 2021.

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 restrictions that have been in place due to Covid-19 (see significant activities to follow) and 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 2021

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, 45 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 on-going discussions we create informed plans that identify the right career paths and qualifications needed to access the preferred profession for our pupils.

We have 4 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 2021

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 has continued to have significant impact upon some of our services as noted above such as the continued closure of the soft play centre meaning that our popular Monkey Bizz sessions still 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 - £1,814,807, 99% of total income, no movement from last year.

Wages are £1,312,824, which is 79% of total expenditure, a increase of 0.8% from last year. Wages as a percentage of total income are 71.4% in 2021, 76.1% in 2010, 52.9% in 2019 69.8% in 2018 and 78.7% in 2017.

Donations of £5,645 in 2021, are down 12.7% from last year, and are less than 0.5% of total income in 2021.

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 37 to 45 pupils

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2021

Financial review

Despite the turbulent world around Covid-19, 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. Money has continued to be invested in the buildings infrastructure including updating alarms and wiring, plus also developing 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. As at the time of writing the report however, the majority of incoming referrals are from Medway. Kent local authority is putting in place a new bidding process for future student referrals. Potentially this could reduce the number of pupils placed at the City of Rochester School. However, we remain confident that our provision is unique and sought after. Many pupils are referred to us having already been in 'specialist' provision or out of education for extended periods of time. Parents also name our school as their preferred choice. There is and will be no change to existing placements through Kent's new process however, future placements numbers will have to be monitored as their new system takes affect.

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 2 months pay for employees and are working towards this.

There were cash and cash equivalents at end of year of £165,519 compared to £191,103 in 2020, £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 45 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 2021

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)
Miss Carole Hobbs	(Appointed 16 April 2021)

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.charitycommision.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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2021

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.

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.

MAGIC (UK) LIMITED

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

FOR THE YEAR ENDED 30 APRIL 2021

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.

Claire Cooper

Claire Cooper (Jan 31, 2022 14:43 GMT)

Mrs C Cooper

Trustee

Dated: Jan 31, 2022

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 2021 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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

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

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

Chartered Accountants
Statutory Auditor

31 January 2022

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 2021

		Unrestricted funds 2021 £	Total 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	22,312	6,464
Income from charitable activities	4	1,814,807	1,139,591
Other trading activities	5	360	360
Total income		1,837,479	1,146,415
<u>Expenditure on:</u>			
<u>Raising funds</u>			
Charitable activities expenditure	6	1,661,916	1,016,283
Net income for the year/ Net movement in funds		175,563	130,132
Fund balances at 1 May 2020		336,458	206,326
Fund balances at 30 April 2021		512,021	336,458

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		807,784		577,664
Current assets					
Stocks	12	100		100	
Debtors	13	51,137		329,100	
Cash at bank and in hand		332,455		191,103	
		<u>383,692</u>		<u>520,303</u>	
Creditors: amounts falling due within one year	15	<u>(341,100)</u>		<u>(455,818)</u>	
Net current assets			42,592		64,485
Total assets less current liabilities			850,376		642,149
Creditors: amounts falling due after more than one year	16		(338,355)		(305,691)
Net assets			<u>512,021</u>		<u>336,458</u>

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 APRIL 2021

Notes	2021		2020	
	£	£	£	£
Income funds				
Unrestricted funds - general	512,021		336,458	
	<u>512,021</u>		<u>336,458</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 2021, 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 Jan 31, 2022

Claire Cooper

Claire Cooper (Jan 31, 2022 14:43 GMT)

Mrs C Cooper
Trustee

Company Registration No. 08045437

MAGIC (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		364,190		221,326
Investing activities					
Purchase of tangible fixed assets		(264,344)		(142,918)	
Net cash used in investing activities			(264,344)		(142,918)
Financing activities					
Repayment of bank loans		41,507		(7,402)	
Net cash generated from/(used in) financing activities			41,507		(7,402)
Net increase in cash and cash equivalents			141,353		71,006
Cash and cash equivalents at beginning of year			191,103		120,097
Cash and cash equivalents at end of year			332,455		191,103

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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 2021

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
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 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 2021

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 2021 £	Total 2020 £
Donations and gifts	5,645	6,439
Funding within charitable activities	16,667	-
Membership fees	-	25
	<u>22,312</u>	<u>6,464</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

3 Donations and legacies

(Continued)

Grants receivable for core activities

Government grants and support

16,667

-

16,667

-

4 Income from charitable activities

General

2021

£

General

2020

£

Tuition

1,814,807

1,139,591

5 Other trading activities

Unrestricted
funds

general

2021

£

Unrestricted
funds

general

2020

£

Fundraising events

-

14

Cafe

-

36

Trading activity income: other

360

310

Other trading activities

360

360

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

6 Charitable activities expenditure

	General 2021 £	Total 2021 £	General 2020 £	Total 2020 £
Staff costs	1,312,824	1,312,824	760,915	760,915
Depreciation and impairment	32,048	32,048	18,975	18,975
Premises Costs	73,016	73,016	43,653	43,653
Office Costs	9,921	9,921	8,564	8,564
Activity Costs	64,243	64,243	37,720	37,720
Travel and Fuel	27,586	27,586	6,003	6,603
Computer and Software	37,485	37,485	30,826	30,826
Training	15,221	15,221	8,502	8,502
Professional Fees	14,951	14,951	23,589	23,589
School Supplies	37,371	37,371	21,223	21,223
Magic Bean Cafe	59	59	1,094	1,094
Bank Charges and Loan Interest	9,705	9,705	11,362	11,362
Fund Raising Costs	198	198	216	216
	<u>1,634,628</u>	<u>1,634,628</u>	<u>973,242</u>	<u>973,242</u>
Share of support costs (see note 7)	19,368	19,368	36,441	36,441
Share of governance costs (see note 7)	7,920	7,920	6,600	6,600
	<u>1,661,916</u>	<u>1,661,916</u>	<u>1,016,283</u>	<u>1,016,283</u>
Analysis by fund				
Unrestricted funds - general	<u>1,661,916</u>	<u>1,661,916</u>	<u>1,016,283</u>	<u>1,016,283</u>
For the year ended 30 April 2020				
Unrestricted funds - general	<u>1,016,283</u>			<u>1,016,283</u>
	<u>1,016,283</u>			<u>1,016,283</u>

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Depreciation	2,177	-	2,177	-	-	-
Sundries	5,538	-	5,538	1,811	-	1,811
Marketing	2,623	-	2,623	2,292	-	2,292
Recruitment costs	6,570	-	6,570	27,507	-	27,507
Accountancy fees	2,460	-	2,460	4,831	-	4,831
Audit fees	-	7,920	7,920	-	6,600	6,600
	19,368	7,920	27,288	36,441	6,600	43,041
Analysed between Charitable activities	19,368	7,920	27,288	36,441	6,600	43,041

8 Trustees

No trustees made any mileage or expenses during the period. Mileage is paid at the standard 45p per mile for additional travel incurred performing home visits for potential new students.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Monthly staff	34	19

Employment costs

	2021 £	2020 £
Wages and salaries	966,100	532,012
Social security costs	126,177	64,370
	1,092,277	596,382

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

	2021 Number	2020 Number
Head Teacher	1	1

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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 £83,434 (2020 - £74,667).

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

11 Tangible fixed assets

	Freehold land and buildings £	Freehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost							
At 1 May 2020	475,000	131,803	2,526	12,038	16,253	1,050	638,670
Additions	-	240,032	276	13,688	10,348	-	264,344
Disposals	-	(2,449)	(150)	(282)	(3,163)	-	(6,044)
At 30 April 2021	475,000	369,386	2,652	25,444	23,438	1,050	896,970
Depreciation and Impairment							
At 1 May 2020	38,000	4,806	2,092	7,952	7,105	1,050	61,005
Depreciation charged in the year	9,500	13,420	132	3,401	5,595	-	32,048
Eliminated in respect of disposals	-	(551)	(104)	(249)	(2,963)	-	(3,867)
At 30 April 2021	47,500	17,675	2,120	11,104	9,737	1,050	89,186
Carrying amount							
At 30 April 2021	427,500	351,711	532	14,340	13,701	-	807,784
At 30 April 2020	437,000	126,997	434	4,086	9,147	-	577,664

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

12 Stocks

	2021	2020
	£	£
Valuation	100	100

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	36,733	313,552
Other debtors	8,499	7,956
Prepayments and accrued income	5,905	7,592
	<u>51,137</u>	<u>329,100</u>

14 Loans and overdrafts

	2021	2020
	£	£
Bank loans	355,626	314,119
Payable within one year	17,271	8,428
Payable after one year	338,355	305,691

15 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	14	17,271	8,428
Other taxation and social security		48,084	21,355
Trade creditors		79,003	22,692
Accruals and deferred income		196,742	403,343
		<u>341,100</u>	<u>455,818</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	14	338,355	305,691

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

17 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 2021 no sales were raised from Magic (UK) Limited to Cooper Daly Solutions & Support LLP. Sales to the sum of £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.

18 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.

19 Cash generated from operations

	2021 £	2020 £
Surplus for the year	175,563	130,132
Adjustments for:		
Loss on disposal of tangible fixed assets	2,177	-
Depreciation and impairment of tangible fixed assets	32,048	18,975
Movements in working capital:		
(Increase)/decrease in stocks	-	200
Decrease/(increase) in debtors	277,963	(289,541)
(Decrease)/increase in creditors	(123,561)	361,560
Cash generated from operations	364,190	221,326

20 Analysis of changes in net (debt)/funds

	At 1 May 2020 £	Cash flows £	At 30 April 2021 £
Cash at bank and in hand	191,103	141,352	332,455
Loans falling due within one year	(8,428)	(8,843)	(17,271)
Loans falling due after more than one year	(305,691)	(32,664)	(338,355)
	(123,016)	99,845	(23,171)

MAGIC (UK) LIMITED

England & Wales - Charity number 1163885

Accounts

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 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

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:

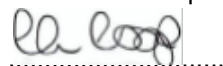
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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: 02/03/2021

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

Chartered Accountants
Statutory Auditor



.....
4th March 2021

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 £
	Notes		
<u>Income and endowments from:</u>			
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>	
		<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 02/03/2021



.....
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			191,103		120,097

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 2020 £	Total 2020 £	General 2019 £	Total 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
	973,242	973,242	557,629	557,629
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
	1,016,283	1,016,283	602,492	602,492
Analysis by fund				
Unrestricted funds - general	1,016,283	1,016,283	602,492	602,492
For the year ended 30 April 2019				
Unrestricted funds - general	602,492			602,492
	602,492			602,492

MAGIC (UK) LIMITED

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

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
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	<u>1</u>	<u>-</u>

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

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>329,100</u>	<u>39,559</u>

15 Loans and overdrafts

	2020 £	2019 £
Bank loans	314,119	321,521
Payable within one year	8,428	8,090
Payable after one year	305,691	313,431

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
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>455,818</u>	<u>93,920</u>

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	15	305,691	313,431

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>