

Registered

Registration number: 02545601

# KM School Limited

Directors' Report and Financial Statements

for the Year Ended 31 August 2015

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**KM School Limited**  
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**KM School Limited**  
**Company Information**

<b>Directors</b>	F D Martin C J Hall A Martin
<b>Company secretary</b>	C J Hall
<b>Registered office</b>	Kings Magna Building Thorpe Underwood Estate York North Yorkshire YO26 9SZ
<b>Auditors</b>	Watson Buckle Limited Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

**KM School Limited**  
**Directors' Report for the Year Ended 31 August 2015**

The directors present their report and the financial statements for the year ended 31 August 2015.

**Directors of the company**

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

B R Martin (resigned 23 October 2015)

E Martin (resigned 23 October 2015)

F D Martin

C J Hall

A Martin (appointed 30 July 2015)

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

**Reappointment of auditors**

The auditors Watson Buckle Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 25 May 2016 and signed on its behalf by:



.....  
A Martin  
Director

**KM School Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of KM School Limited**

We have audited the financial statements of KM School Limited for the year ended 31 August 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

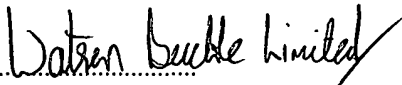
**Independent Auditor's Report to the Members of  
KM School Limited**

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....  
Christopher Padgett FCA (Senior Statutory Auditor)  
For and on behalf of Watson Buckle Limited  
Statutory Auditor & Chartered Accountants  
Bradford

25 May 2016

**KM School Limited**  
**Profit and Loss Account for the Year Ended 31 August 2015**

	Note	2015 £	2014 £
Turnover		8,696,893	6,261,197
Cost of sales		<u>(3,545,552)</u>	<u>(2,357,599)</u>
Gross profit		5,151,341	3,903,598
Administrative expenses		<u>(4,422,970)</u>	<u>(3,289,205)</u>
Operating profit	2	728,371	614,393
Other interest receivable and similar income	4	3,429	2
Interest payable and similar charges	5	<u>(18,495)</u>	<u>(2,383)</u>
Profit on ordinary activities before taxation		713,305	612,012
Tax on profit on ordinary activities	6	<u>(206,343)</u>	<u>(177,015)</u>
Profit for the financial year	13	<u><u>506,962</u></u>	<u><u>434,997</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**KM School Limited**  
**Balance Sheet at 31 August 2015**

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	7		2,438,684		1,290,469
<b>Current assets</b>					
Debtors	8	-		15,900	
Creditors: Amounts falling due within one year	9	<u>(1,967,751)</u>		<u>(1,000,398)</u>	
Net current liabilities			<u>(1,967,751)</u>		<u>(984,498)</u>
Total assets less current liabilities			470,933		305,971
Provisions for liabilities	10		<u>(58,000)</u>		<u>-</u>
Net assets			<u>412,933</u>		<u>305,971</u>
<b>Capital and reserves</b>					
Called up share capital	11	100		100	
Profit and loss account	13	<u>412,833</u>		<u>305,871</u>	
Shareholders' funds	14		<u>412,933</u>		<u>305,971</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved and authorised for issue by the Board on 25 May 2016 and signed on its behalf by:



C J Hall  
Director

## **KM School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention.

##### **Exemption from preparing a cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

##### **Turnover**

Turnover represents amounts chargeable in respect of the sale of goods and services to pupils. Fees invoiced in advance are deferred on the Balance Sheet and recognised in turnover over the period of the service provision.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% straight line basis
Fixtures and fittings	10% straight line basis
Office equipment	25% straight line basis
Long leasehold land and buildings	10% straight line basis

##### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

##### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

# KM School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

### Pensions

KM School Limited participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to KM School Limited.

The cost of the defined benefit pension scheme is charged to the Profit & Loss Account so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of the Government Actuary.

### 2 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - other assets	1,226,103	1,017,971
Auditor's remuneration - The audit of the company's annual accounts	5,000	5,000
Depreciation of owned assets	<u>418,076</u>	<u>232,027</u>

### 3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including money purchase pension scheme contributions)	<u>10,907</u>	<u>6,663</u>

During the year the number of directors who were receiving benefits was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

### 4 Other interest receivable and similar income

	2015 £	2014 £
Other interest receivable	<u>3,429</u>	<u>2</u>

# KM School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

### 5 Interest payable and similar charges

	2015 £	2014 £
Interest on other loans	14,736	1,054
Other interest payable	3,759	1,329
	<u>18,495</u>	<u>2,383</u>

### 6 Taxation

#### Tax on profit on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
Corporation tax charge	132,500	161,600
Adjustments in respect of previous years	(57)	(85)
UK Corporation tax	<u>132,443</u>	<u>161,515</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	70,000	12,800
Effect of changes in tax rates	3,900	2,700
Total deferred tax	<u>73,900</u>	<u>15,500</u>
Total tax on profit on ordinary activities	<u>206,343</u>	<u>177,015</u>

#### Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>713,305</u>	<u>612,012</u>
Corporation tax at standard rate	142,661	128,523
Capital allowances in excess of depreciation	(69,820)	(12,800)
(Over)/under provision in prior years	(57)	(85)
Change in tax rates and roundings	3,753	5,433
Expenses not deductible for tax purposes	7,779	8,938
Depreciation on fixed assets not qualifying for capital allowances	<u>48,127</u>	<u>31,506</u>
Total current tax	<u>132,443</u>	<u>161,515</u>

# KM School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

### 7 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2014	-	521,646	990,651	10,199	1,522,496
Additions	183,698	164,696	1,186,461	31,436	1,566,291
At 31 August 2015	183,698	686,342	2,177,112	41,635	3,088,787
<b>Depreciation</b>					
At 1 September 2014	-	130,412	99,065	2,550	232,027
Charge for the year	18,370	171,586	217,711	10,409	418,076
At 31 August 2015	18,370	301,998	316,776	12,959	650,103
<b>Net book value</b>					
At 31 August 2015	165,328	384,344	1,860,336	28,676	2,438,684
At 31 August 2014	-	391,234	891,586	7,649	1,290,469

### 8 Debtors

	2015 £	2014 £
Deferred tax	-	15,900

### 9 Creditors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	1,620,026	760,483
Corporation tax	294,542	238,715
Accruals and deferred income	53,183	1,200
	1,967,751	1,000,398

# KM School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

### 10 Provisions

	Deferred tax £	Total £
At 1 September 2014	(15,900)	(15,900)
Charged to the profit and loss account	73,900	73,900
At 31 August 2015	<u>58,000</u>	<u>58,000</u>

### Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>58,000</u>	<u>15,900</u>

### 11 Share capital

#### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 12 Dividends

	2015 £	2014 £
<b>Dividends paid</b>		
Current year interim dividend paid	<u>400,000</u>	<u>300,000</u>

### 13 Reserves

	Profit and loss account £	Total £
At 1 September 2014	305,871	305,871
Profit for the year	506,962	506,962
Dividends	<u>(400,000)</u>	<u>(400,000)</u>
At 31 August 2015	<u>412,833</u>	<u>412,833</u>

## KM School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2015

..... *continued*

#### 14 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	506,962	434,997
Dividends	(400,000)	(300,000)
Net addition to shareholders' funds	106,962	134,997
Shareholders' funds at 1 September	305,971	170,974
Shareholders' funds at 31 August	412,933	305,971

#### 15 Pension schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £7,624 (2014 - £468).

Contributions totalling £nil (2014 - £nil) were payable to the schemes at the end of the year and are included in creditors.

## KM School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

#### Defined benefit pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £197,273 (2014: £131,247) and at the year-end £Nil (2014 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

## 16 Commitments

#### Operating lease commitments

As at 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
<b>Land and buildings</b>		
Within two and five years	22,700	-
Over five years	1,203,403	1,017,971
	<u>1,226,103</u>	<u>1,017,971</u>

## **KM School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

**..... continued**

#### **17 Related party transactions**

##### **Other related party transactions**

During the year the company made the following related party transactions:

##### **The Collegiate Charitable Foundation**

(Three of the company's directors, B R Martin, E Martin and F D Martin are also trustees of the above.)

Rent of £1,226,103 (2014 - £1,017,971) and rates of £16,285 (2014 - £17,302) was paid to The Collegiate Charitable Foundation during the year at commercial rates. At the balance sheet date the amount due to The Collegiate Charitable Foundation was £nil (2014 - £nil).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

#### **18 Control**

The company is controlled by its parent company, The Collegiate Formation Limited (Formerly Buckedge Limited), copies of the financial statements of The Collegiate Formation Limited are available at Companies House, Crown Way, Maindy, Cardiff.

The ultimate controlling party is Foxlow Limited, a company registered in the British Virgin Islands.