

**NORTH LONDON COLLEGIATE SCHOOL
ENTERPRISES LIMITED
(Registered Number 6832562)**

ANNUAL REPORT

YEAR ENDED 31 JULY 2018



NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
(Registered Number 6832562)
YEAR ENDED 31 JULY 2018

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**NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE**

DIRECTORS

Mrs B McCabe
Mr T Suter
Mr J Herlihy (Chairman)
Mr I Callender
Mr S Jaffe
Mr S Isaacs

REGISTERED OFFICE

North London Collegiate School
Canons
Canons Drive
Edgware
Middlesex
HA8 7RJ

AUDITOR

Crowe UK LLP
St Brides House
10 Salisbury Square
London
EC4Y 8EH

On 25th June 2018 Crowe Clarke Whitehill LLP changed its name to Crowe U.K. LLP

North London Collegiate School Enterprises Limited is a Private Company, limited by shares, incorporated in England & Wales, Registration Number 6832562, and is a wholly owned subsidiary of North London Collegiate School.

NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 July 2018.

PRINCIPAL ACTIVITIES

The principal activity is the operation of franchising activities in Korea on behalf of the North London Collegiate School. Profits made are gifted to the school to support the school's charitable objectives.

RESULTS ACTIVITIES AND FUTURE PLANS

The surplus for the year was £716,171 (2017: £660,101). The directors intend to further develop the activities of the company in the coming year, and the principal activities are expected to be sustained in the foreseeable future.

RISK ASSESSMENT

The Board of Directors are responsible for the management of the risks faced by North London Collegiate School Enterprises Limited. The detailed considerations of the risks are delegated to the Chief Operating Officer of North London Collegiate School.

The key risks are identified as:

- Failure to safeguard the reputation and brand of North London Collegiate School
- Financial loss
- Operational impact on North London Collegiate School
- Legal impact
- Political change

The Board of Directors review actual financial results quarterly and compare the performance against budgets and forecasts and define spending limits.

DIRECTORS

The directors who held office during the year are as stated on page 2 of this annual report. No director held any interest in the shares of the company.

Each of the directors have confirmed that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and that they have taken all 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.

AUDITOR

A resolution for the reappointment of Crowe U.K. LLP will be proposed at the forthcoming annual general meeting.

**NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

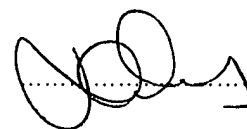
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The following statements have been affirmed by each directors of the company:

- So far as each of the directors at the date of this report is aware, there is no relevant audit information of which the company's auditors are unaware.
- Each director has taken all the 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 auditors are aware of that information.

BY ORDER OF THE BOARD



Director

22.11.2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED**

Opinion

We have audited the financial statements of North London Collegiate School Enterprises Limited for the year ended 31 July 2018 which comprise the profit and loss account (including the statement of income and retained earnings), the balance sheet and 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).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company 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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 directors 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, except to the extent otherwise explicitly stated in our report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED (continued)**

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

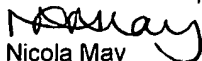
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Nicola May
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
St. Bride's House
Salisbury Square
London
EC4Y 8EH

18th December 2018

NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
PROFIT & LOSS ACCOUNT
(INCLUDING THE STATEMENT OF INCOME AND RETAINED EARNINGS)
YEAR ENDED 31 JULY 2018

		<u>2018</u>	<u>2017</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover	1(b)	1,200,749	1,230,410
Operating expenses		(486,137)	(570,871)
Operating profit	2	714,612	659,539
Interest receivable		1,559	563
Profit on ordinary activities before tax		716,171	660,101
Taxation	3	-	-
Profit after tax		716,171	660,101
Profit and loss account brought forward at 1 August 2017		-	-
Payment under Gift Aid		(716,171)	(660,101)
Profit and loss account carried forward at 31 July 2018		-	-

All of the above results are derived from continuing activities.

There are no recognised gains or losses other than those stated above.

The notes on pages 9 and 10 form part of these financial statements.

NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
Company registration number 6832562
BALANCE SHEET
AS AT 31 JULY 2018

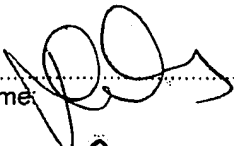
		<u>2018</u>	<u>2017</u>
	<u>Notes</u>	£	£
CURRENT ASSETS			
Debtors	4	293,178	655,091
Cash at bank and in hand		172,874	155,553
		<u>466,052</u>	<u>810,644</u>
CREDITORS			
Amounts falling due within one year	5	<u>(465,952)</u>	<u>(810,544)</u>
NET CURRENT ASSETS		<u>100</u>	<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account		-	-
SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

The notes on pages 9 and 10 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions acceptable to the small companies' regime, part 15 of the Companies Act and FRS 102 1A – small entities.

Approved and authorised for issue on behalf of the board on 22.11.2018

Name: _____



Directors

Name: _____



**NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2018**

STATUTORY INFORMATION

North London Collegiate School Enterprises Limited is a Private Company, limited by shares, incorporated in England & Wales, Registration Number 6832562. The Company operates the franchise agreement with NLCS-Jeju School in Korea.

At 31 July 2018 the ultimate parent company and controlling party was The North London Collegiate School, a charitable company incorporated in the United Kingdom. The accounts of the company have been consolidated into the ultimate parent company's financial statements. Copies of these financial statements can be obtained from the registered office, Canons, Canons Drive, Harrow, HA8 7RJ.

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Accounting convention

The accounts have been prepared in accordance with applicable UK accounting standards with the provision of FRS 102 Section 1A small entities and comply with Companies Act 2006.

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

(b) Turnover

Turnover is the total amount, excluding value added tax, earned in the financial year in respect of royalty payments charged on fee income for the academic year and additional services provided in respect of franchising services provided to overseas school(s). Turnover attributable to markets outside of the UK accounted for 100% of total Operating Income (2017: 100%).

(c) Allocation of expenditure

Certain of the costs of providing franchising services are allocated annually between North London Collegiate School and the company.

(d) Going concern

The directors are of the opinion that the company has adequate resources to continue to operate for the foreseeable future, being not less than one year from the date of approval of these financial statements. For this reason, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

(e) Judgements and estimates

There are no judgements or estimates which materially affect the amounts recognised in these accounts.

(e) Cash Flow Statement

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company, as defined by the Company's Act 2006, under FRS 102 1A.

NORTH LONDON COLLEGIATE SCHOOL ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2018

2 OPERATING PROFIT

Operating profit is stated after charging the following:

	<u>2018</u> £	<u>2017</u> £
Auditors' remuneration - audit	3,300	3,250
- taxation	1,000	865
	<u>4,300</u>	<u>4,115</u>

Mrs B McCabe received £2,083 (2017 - £25,000) as director fees for her service during the year. None of the other directors received any remuneration in respect of their appointment.

There are no capital commitments (2017: nil).

3 TAXATION

The Company makes a qualifying donation of all taxable profits to the North London Collegiate School. No corporation tax liability arises in the accounts.

4 DEBTORS

	<u>2018</u> £	<u>2017</u> £
Due within one year:		
Trade Debtors	293,178	391,615
Amounts due from NLCSE (Dubai) Ltd	-	262,876
Amounts due from NLCS International Ltd	-	50
Taxation recoverable	-	550
	<u>293,178</u>	<u>655,091</u>

5 CREDITORS

	<u>2018</u> £	<u>2017</u> £
Amounts falling due within one year:		
Amounts due to parent undertaking	451,219	806,106
Deferred income and accruals	14,733	4,438
	<u>465,952</u>	<u>810,544</u>

6 SHARE CAPITAL

	<u>2018</u> £	<u>2017</u> £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

8 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard 102 para 33.1A not to disclose any transactions with its parent undertaking and other group entities on the basis that it is a wholly owned subsidiary and the company's results for the year are included in the consolidated financial statements of the parent undertaking.

Mr J Herlihy is a Governor of NLCS, a director of NLCS Enterprises and a Governor of NLCS-Jeju School. He received an honorarium of £10,000 (2017: £10,000) from NLCS-Jeju for serving as a Governor of NLCS-Jeju School.

Mrs B McCabe is a director of NLCS Enterprises and a Governor of NLCS-Jeju School.