

**The New Model School Company
Ltd.**

Unaudited Financial Statements

Year Ended

31 August 2020

Company Number 04892739

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The New Model School Company Ltd.
Registered number: 04892739

Statement of Financial Position
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	220,829	189,517
		<u>220,829</u>	<u>189,517</u>
Current assets			
Debtors: amounts falling due within one year	6	351,500	89,860
Cash at bank and in hand	7	1,872,875	2,131,964
		<u>2,224,375</u>	<u>2,221,824</u>
Creditors: amounts falling due within one year	8	(1,688,543)	(1,666,076)
Net current assets		<u>535,832</u>	<u>555,748</u>
Total assets less current liabilities		<u>756,661</u>	<u>745,265</u>
Creditors: amounts falling due after more than one year	9	(5,000)	(5,000)
Provisions for liabilities			
Deferred tax	10	(31,407)	(26,867)
		<u>(31,407)</u>	<u>(26,867)</u>
Net assets		<u>720,254</u>	<u>713,398</u>
Capital and reserves			
Called up share capital	11	501,057	501,057
Profit and loss account		219,197	212,341
		<u>720,254</u>	<u>713,398</u>

The New Model School Company Ltd.
Registered number: 04892739

Statement of Financial Position (continued)
As at 31 August 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

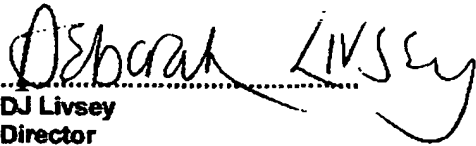
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
DJ Livsey
Director

Date: 26/11/2020

The notes on pages 4 to 12 form part of these financial statements.

The New Model School Company Ltd.

Statement of Changes in Equity For the Year Ended 31 August 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2018	501,057	35,008	536,065
Comprehensive income for the year			
Profit for the year	-	177,333	177,333
At 1 September 2019	501,057	212,341	713,398
Comprehensive income for the year			
Profit for the year	-	6,856	6,856
At 31 August 2020	501,057	219,197	720,254

The notes on pages 4 to 12 form part of these financial statements.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

1. General information

The financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company for the year ended 31 August 2020 and presented to the nearest pound.

The company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the company predominantly operates.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office is Maple Walk School, 62a Crownhill Road, London, NW10 4EB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support. The directors' current assessment is that this is unlikely and accordingly these accounts have been prepared on the company's ability to continue as a going concern.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company also participates in another, separate, pension plan for certain of its employees. Qualifying teachers are automatically enrolled into the Teachers' Pension Scheme (TPS) administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Position as they fall due. The TPS is an unfunded scheme and although it has some of the characteristics of a defined benefit scheme, as it is a multi-employer scheme the Company accounts for the plan as if it were a defined contribution scheme. Contributions on a 'pay as you go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out by Government's Actuary Department. Under the definitions set out in FRS 102 the TPS is a multi-employer plan.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold improvements	- either 5 or 7 years straight line
Fixtures and fittings	- 3 to 5 years straight line
Computer and telephone equipment	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The period applied depends on the specific asset and the anticipated length of use.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 57 (2019 - 58).

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer & telephone equipment £	Total £
Cost or valuation				
At 1 September 2019	194,775	87,870	99,609	382,254
Additions	23,615	19,989	85,877	129,481
Disposals	(12,186)	(52,331)	(18,064)	(82,581)
At 31 August 2020	<u>206,204</u>	<u>55,528</u>	<u>167,422</u>	<u>429,154</u>
Depreciation				
At 1 September 2019	86,744	58,342	47,651	192,737
Charge for the year	33,238	21,572	43,361	98,171
Disposals	(12,186)	(52,332)	(18,065)	(82,583)
At 31 August 2020	<u>107,796</u>	<u>27,582</u>	<u>72,947</u>	<u>208,325</u>
Net book value				
At 31 August 2020	<u><u>98,408</u></u>	<u><u>27,946</u></u>	<u><u>94,475</u></u>	<u><u>220,829</u></u>
At 31 August 2019	<u><u>108,031</u></u>	<u><u>29,528</u></u>	<u><u>51,958</u></u>	<u><u>189,517</u></u>

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

6. Debtors

	2020 £	2019 £
Trade debtors	297,206	33,221
Other debtors	5,186	6,437
Prepayments and accrued income	49,108	50,202
	<u>351,500</u>	<u>89,860</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>1,872,875</u>	<u>2,131,964</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	28,617	35,204
Corporation tax	12,921	50,584
Other taxation and social security	41,707	51,052
Other creditors	1,574,213	1,518,931
Accruals and deferred income	31,085	10,305
	<u>1,688,543</u>	<u>1,666,076</u>

Other creditors include the following:

Deposits of £489,600 (2019: £477,875) which relate to interest free deposits received from parents for their child to attend the school. They are repayable on the child leaving, which from experience the Company has found could be at any time during their schooling, therefore parent deposits are classified as falling due within one year.

Fees in advance of £1,007,775 (2019: £1,015,050) received for the Autumn term following the year end.

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

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

	2020 £	2019 £
Other creditors	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

Shares classed as financial liabilities consists of 50 redeemable 5% preference shares of £100 each. The 50 shares are redeemable, subject to statutory constraints. Dividend interest of £250 (2019: £250) has been accrued for the year to 31 August 2020 and the balance of £955 (2019: £705) owed has been transferred to accruals less than one year as the Company has now met its statutory constraints.

10. Deferred taxation

	2020 £
At beginning of year	(26,867)
Charged to profit or loss	(4,540)
At end of year	<u>(31,407)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(35,133)	(27,603)
Short term timing differences	3,726	736
	<u>(31,407)</u>	<u>(26,867)</u>

The New Model School Company Ltd.

Notes to the Financial Statements For the Year Ended 31 August 2020

11. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
57 (2019 - 57) Ordinary shares of £1.00 each	57	57
4,010 (2019 - 4,010) Non Cumulative Redeemable Preference shares of £100.00 each	401,000	401,000
1,000 (2019 - 1,000) 2nd Non Cumulative Redeemable Preference shares of £100.00 each	100,000	100,000
	<u>501,057</u>	<u>501,057</u>

12. Contingent liabilities

The Company set aside funds to cover a bank guarantee required by the Teachers' Pension Scheme. As at 31 August 2020 the amount of the potential liability associated with this guarantee was £72,000 (2019: £72,000).

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The Company participates in a second pension scheme for certain qualifying employees. This scheme is a multiple employer scheme and whilst it shares many common elements with a defined benefit Scheme, the Company accounts for it as a defined contribution plan as it is unable to identify its share of the underlying assets and liabilities.

The pension cost charge represents contributions payable by the Company to both of the funds and amounted to £218,750 (2019: £150,813). Contributions totalling £28,285 (2019: £4,329) were payable to the funds at the reporting date and are included in creditors.