

COMPANY REGISTRATION NUMBER: 04406186

**MATRIX COLLEGE OF COUNSELLING AND**  
**PSYCHOTHERAPY LTD**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2019**

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2019**

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**MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

**OFFICERS AND PROFESSIONAL ADVISERS**

<b>DIRECTOR</b>	Mrs F M Paul
<b>REGISTERED OFFICE</b>	Headlands House 1 Kings Court Kettering Parkway Kettering England NN15 6WJ
<b>AUDITOR</b>	Lovewell Blake LLP Chartered Accountants & statutory auditor First Floor Suite 2 Hillside Business Park Bury St Edmunds IP32 7EA

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **STRATEGIC REPORT**

**YEAR ENDED 31 AUGUST 2019**

### **PRINCIPLE ACTIVITY AND BUSINESS REVIEW**

The principle activity of the company is the provision of counselling training services.

Our continuing objective is to be recognised as the foremost centre of excellence in counselling training in the region. Last year we experienced our greatest number of applications. This year, students have enjoyed a continued and increased success rate in BSc (Hons) and Diploma awards.

Our outreach programme of clinical placements is growing and we are extending into new territories. Thanks to our reputation, we now have students applying to Matrix from beyond the counties of Suffolk and Norfolk. The emphasis on the quality of the courses will be maintained and we will constantly review their content to ensure we are always ready for the changes that drive the disciplines of the profession.

In September 2018 we moved all Norwich students to our new, bespoke centre in Wymondham, an independent building which is now fully functioning and which gives us an identity and a secure base. It provides office space for administration and the opportunity for independent student study space in the library, counselling rooms and training rooms, as well as a friendly café space and break out areas. The building allows us to consolidate our offer to students and to effectively manage the increase in student numbers so that the highest standards of tuition and student welfare can be maintained across all courses.

We are committed to offering those with the will and potential to succeed, regardless of their background, the possibility of training at Matrix. We want to offer the opportunity to transform students' lives through accessing an outstanding learning experience which offers the opportunity of a new career.

To continue to do this we achieved registration with the Office for Students in the Approved category in March 2019, a huge achievement for such a small college. We are aiming to achieve Approved (Fee Cap) registration and gain a TEF award within the next two years to show our continuing commitment to delivering a flexible course to a wide and diverse group of (mostly) mature students.

Our aim is to expand our core curriculum with the establishment of a new Masters award course. This will have the benefit of expanding the student base and of increasing the range of study options while consolidating our reputation as a centre of excellence for studies in the field of counselling and psychotherapy. We will, of course, continue to offer the current BSc (Hons) degree course; the introduction to counselling skills course and the varied and nationally significant CPD conferences and workshops.

In order to meet the growing demands of Higher Education regulation we will be strengthening our management team to ensure we continue to have a robust system in place to monitor and deliver Higher Education as a small specialist provider.

We continue to build on our good relationship with our accountant and auditors in order to ensure transparency in our financial management, to ensure Matrix's finances and resources are well managed to protect the students and continue offer a high standard of training.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The director is confident that the company has available financing facilities which are sufficient to meet its working capital requirements. The company's sales and purchases are made in sterling, and so there is no exposure to currency risk. The director is satisfied that credit risk is adequately managed through day-to-day monitoring by the director, and that as a result bad debt experience is minimised.

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **STRATEGIC REPORT (continued)**

### **YEAR ENDED 31 AUGUST 2019**

#### **PRINCIPLE RISKS AND UNCERTAINTIES**

##### **Overview**

The management and nature of the business are subject to a number of risks. The director has set out below the principle risks facing the business. The director is of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

##### **Managing increasing demand for student places**

Last year we received more applicants than places for the academic year. We did not increase capacity as we continue to be committed to delivering high quality training.

We are discontinuing our course in Ipswich in July 2021 in order to focus the college's energy on our Wymondham venue. We are introducing a midweek cohort to replace the lost availability of student places in Ipswich.

##### **Regulation**

Due to recent increased regulatory requirements a risk has been identified that the increased workload placed on the Director might become a burden. Losing OfS regulation would represent a significant risk to the college. An additional member of staff, with responsibility for regulatory oversight has been recruited.

##### **Competition**

There is no equivalent level of integrative counselling available in East Anglia at present. We remain alert to the possibility of another similar course being offered but are at present confident that our reputation will ensure continued high student demand.

#### **KEY PERFORMANCE INDICATORS**

The financial key performance indicators are considered to be the levels of turnover, profit and cash generated from operating activities.

Non-financial performance indicators include the level of student drop out, student satisfaction and student achievement.

#### **FUTURE DEVELOPMENTS AND OUTLOOK**

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in this report. The financial position of the group and its liquidity position are set out in the attached accounts. In addition, the principal risks and uncertainties section above details the policies and processes in place to manage financial risk, and exposures to credit and liquidity risk.

The company will continue to build on its presence in the training sector by focusing on increasing the range of study options and consolidating its reputation as a centre of excellence for studies in the field of counselling and psychotherapy.

## **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

### **STRATEGIC REPORT (continued)**

#### **YEAR ENDED 31 AUGUST 2019**

#### **CORPORATE GOVERNANCE**

Matrix is a specialist college dedicated to training counsellors to the highest standards offering a professional, high quality training.

Matrix College is a Company limited by shares. Fiona Paul took ownership in 2015 and is the sole share-holder, supported by a Management Team and Advisory Committee.

Fiona Paul (Director and Head of Training) and Alison Dart (Deputy Head of Training) both run Matrix. They are both practicing psychotherapists who also teach students on the course. This is to ensure there is coherence from the management to the practice of their profession. The key responsibilities of the Director and the Management Team are to deliver the strategic plan of the college and to agree and implement policies that aid the plan.

The management team currently consists of the Director and Deputy Head of Training. Ultimate control is held by the Director. She is supported by an Advisory Committee. This committee comprises of two senior business women, one senior professional psychotherapist with many years' experience in Psychotherapy training and a senior member of a University. This committee was set up by the Director to oversee the management of Matrix. It does not hold any statutory power. The committee meets three times a year.

The Management Team is internally supported by five committees; Programme Leads (PL), Curriculum, Assessment, Research and Members'. The Members' committee oversees the professional graduate requirements of the alumni.

Each Committee has its own terms of reference. The Director is Chair of the PL committee, the other committees have Chairs who are tutors and all but the PL and Members Committee has a student member. Matrix is a small college (currently with 82 students). Matrix is committed to the principles of good governance. They refer to the principles contained within the Higher Education Code of Governance. A new member of staff has been recruited who will prioritise a review of the governance arrangements and ensure the purpose, vision and values are clearly articulated. The Governance Statement is available on our website and our audited accounts are also published on the website.

We have annually audited accounts and meet twice a year with the accountant to discuss business planning. We have no borrowings and no overdraft. The College is run based on the principles that we teach - being ethical practitioners working with integrity.

The Annual Evaluatory Report details committee reviews, student End of Year Evaluations, and the Annual Monitoring Review, undertaken in conjunction with Middlesex University. The External Examiner reports annually on the assessment of students' academic work. We take feedback from placement providers each year and remain in regular contact with them regarding our students' clinical work. Oversight of Office for Student regulation is the responsibility of the Director who ensures compliance with the OfS's ongoing conditions of registration. She is also responsible for ensuring compliance with the Middlesex University Memorandum of Cooperation.

The Advisory Committee advises on risk management and evaluatory strategy. These are regularly reassessed.

## **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

### **STRATEGIC REPORT (continued)**

**YEAR ENDED 31 AUGUST 2019**

#### **INTERNAL CONTROLS**

The Director is responsible for ensuring that:

- Proper accounting records are kept in accordance with OfS and Middlesex University regulatory requirements.
- Business, operational and compliance risk are identified and managed by maintaining and operating a system of internal control which includes evaluation of risk and decision making based on mitigating risk.
- The Advisory Committee receives a report at each meeting on internal control and risk.
- A sound system of internal control is maintained which is reviewed and evaluated.

The system of internal control has been developed and is co-ordinated by the Director. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

Due to recent increased regulatory requirements a risk has been identified that the increased workload placed on the Director might become a burden. Losing OfS regulation would represent a significant risk to the college. An additional member of staff, with responsibility for regulatory oversight has been recruited.

The review of effectiveness of the systems of internal control is informed by:- Regular scrutiny of financial and other performance monitoring data.- Publication of an Annual report by the Director.  
- Publication of an Annual Auditor's Report.

This report was approved by the board of directors on 5 February 2020 and signed on behalf of the board by:



Mrs F M Paul  
Director

Registered office:  
Headlands House  
1 Kings Court  
Kettering Parkway  
Kettering  
England  
NN15 6WJ

## **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

### **DIRECTOR'S REPORT**

#### **YEAR ENDED 31 AUGUST 2019**

The director presents her report and the financial statements of the company for the year ended 31 August 2019.

#### **DIRECTOR**

The director who served the company during the year was as follows:

Mrs F M Paul

#### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 9 to the financial statements.

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. She is 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.

#### **AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.



**MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

**DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2019**

This report was approved by the board of directors on 5 February 2020 and signed on behalf of the board by:



Mrs F M Paul  
Director

Registered office:  
Headlands House  
1 Kings Court  
Kettering Parkway  
Kettering  
England  
NN15 6WJ

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER AND DIRECTOR OF MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD (continued)**

**YEAR ENDED 31 AUGUST 2019**

### **OPINION**

We have audited the financial statements of Matrix College of Counselling and Psychotherapy Ltd (the 'company') for the year ended 31 August 2019 which comprise the statement of income and retained earnings, statement of financial position, 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 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 company's affairs as at 31 August 2019 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.
- have been prepared in accordance with the requirements of the OfS's accounts direction and these requirements have been met.

### **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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

## **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER AND DIRECTOR OF MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD (continued)**

**YEAR ENDED 31 AUGUST 2019**

#### **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 director is responsible for the other information. 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.

Fee income as disclosed in note 4 to the Financial Statements is not materially misstated.

We have nothing further to report in this regard.

#### **OPINIONS 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 the strategic report or the director's 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, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER AND DIRECTOR OF MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD (continued)**

**YEAR ENDED 31 AUGUST 2019**

### **RESPONSIBILITIES OF THE DIRECTOR**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER AND DIRECTOR OF MATRIX COLLEGE  
OF COUNSELLING AND PSYCHOTHERAPY LTD (continued)**

**YEAR ENDED 31 AUGUST 2019**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**USE OF OUR REPORT**

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.

*Lovewell Blake LLP*

Simon Watson FCCA (Senior Statutory Auditor)

For and on behalf of  
Lovewell Blake LLP  
Chartered Accountants & statutory auditor  
First Floor Suite  
2 Hillside Business Park  
Bury St Edmunds  
IP32 7EA

*6 February 2020*

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **STATEMENT OF INCOME AND RETAINED EARNINGS**

### **YEAR ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>TURNOVER</b>	<b>4</b>	415,428	316,178
Cost of sales		191,385	161,237
<b>GROSS PROFIT</b>		224,043	154,941
Administrative expenses		155,736	113,496
<b>OPERATING PROFIT</b>	<b>5</b>	68,307	41,445
<b>PROFIT BEFORE TAXATION</b>		68,307	41,445
Tax on profit	<b>8</b>	13,787	8,643
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		54,520	32,802
Dividends paid and payable	<b>9</b>	(33,440)	(35,440)
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		10,307	12,945
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		31,387	10,307

All the activities of the company are from continuing operations.

The notes on pages 15 to 20 form part of these financial statements.

**MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD****STATEMENT OF FINANCIAL POSITION****31 AUGUST 2019**

	Note	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		21,435		6,390
<b>CURRENT ASSETS</b>					
Debtors	11	17,632		24,155	
Cash at bank and in hand		55,562		30,909	
		<u>73,194</u>		<u>55,064</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>62,208</u>		<u>49,927</u>	
<b>NET CURRENT ASSETS</b>			<u>10,986</u>		<u>5,137</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			32,421		11,527
<b>PROVISIONS</b>	13		<u>1,028</u>		<u>1,214</u>
<b>NET ASSETS</b>			<u>31,393</u>		<u>10,313</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital fully paid	16		3		3
Capital redemption reserve	17		3		3
Profit and loss account	17		<u>31,387</u>		<u>10,307</u>
<b>SHAREHOLDERS FUNDS</b>			<u>31,393</u>		<u>10,313</u>

These financial statements were approved by the board of directors and authorised for issue on 5 February 2020, and are signed on behalf of the board by:



Mrs F M Paul  
Director

Company registration number: 04406186

The notes on pages 15 to 20 form part of these financial statements.

**MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD****STATEMENT OF CASH FLOWS****YEAR ENDED 31 AUGUST 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	54,520	32,802
<i>Adjustments for:</i>		
Depreciation of tangible assets	6,240	2,654
Tax on profit	13,787	8,643
Accrued income	—	(4,750)
<i>Changes in:</i>		
Trade and other debtors	6,523	(4,991)
Trade and other creditors	6,682	(8,709)
Cash generated from operations	87,752	25,649
Tax paid	(8,374)	(9,185)
Net cash from operating activities	<u>79,378</u>	<u>16,464</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(21,285)	(4,316)
Net cash used in investing activities	<u>(21,285)</u>	<u>(4,316)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(33,440)	(35,440)
Net cash used in financing activities	<u>(33,440)</u>	<u>(35,440)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	24,653	(23,292)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	30,909	54,201
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>55,562</u>	<u>30,909</u>

The notes on pages 15 to 20 form part of these financial statements.



# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 AUGUST 2019**

#### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales. The trading address of the company is 6 Griffin Court, Wymondham, Norfolk, NR10 0GU. The address of the registered office is Headlands House, 1 Kings Court, Kettering Parkway, Kettering, England, NN15 6WJ.

#### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

These financial statements also comply with the Office for Students Regulatory Advice 9: Accounts direction (OfS 2019.41).

#### **3. ACCOUNTING POLICIES**

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Revenue recognition**

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done during the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

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

### **YEAR ENDED 31 AUGUST 2019**

#### **3. ACCOUNTING POLICIES (continued)**

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	20% straight line
Books	-	25% reducing balance
Website	-	20% straight line
Equipment	-	30% reducing balance and 33.3% straight line

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

#### **4. TURNOVER**

##### **Details of grant and fee income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grant income from the OfS	–	–
Grant income from other bodies	–	–
Fee income for taught awards (exclusive of VAT)	402,703	313,278
Fee income for research awards (exclusive of VAT)	–	–
Fee income from non-qualifying courses (exclusive of VAT)	12,725	2,900
Total grant and fee income	<u>415,428</u>	<u>316,178</u>

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

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

### **YEAR ENDED 31 AUGUST 2019**

#### **5. OPERATING PROFIT**

Operating profit or loss is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	6,240	2,654
Impairment of trade debtors	6,382	1,538
Fees payable for the audit of the financial statements	3,300	3,000
Operating lease rentals	<u>34,860</u>	<u>24,579</u>

#### **6. STAFF COSTS**

The average number of persons employed by the company during the year, including the director, amounted to:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Management staff	<u>2</u>	<u>1</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	26,400	14,260
Other pension costs	344	96
	<u>26,744</u>	<u>14,356</u>

#### **7. DIRECTOR'S REMUNERATION**

The director's aggregate remuneration in respect of qualifying services was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>8,400</u>	<u>8,260</u>

During the year the director received dividends of £33,440 (2018 - £35,440). The director received no pension contributions or other benefits.

#### **8. TAX ON PROFIT**

##### **Major components of tax expense**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	13,955	8,355
Adjustments in respect of prior periods	18	—
Total current tax	<u>13,973</u>	<u>8,355</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(186)	288
<b>Tax on profit</b>	<u>13,787</u>	<u>8,643</u>

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

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

### **YEAR ENDED 31 AUGUST 2019**

#### **8. TAX ON PROFIT (continued)**

##### **Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>68,307</u>	<u>41,445</u>
Profit on ordinary activities by rate of tax	<u>12,978</u>	<u>7,875</u>
Adjustment to tax charge in respect of prior periods	18	—
Effect of expenses not deductible for tax purposes	29	794
Effect of capital allowances and depreciation	948	(314)
Deferred tax adjustment	<u>(186)</u>	<u>288</u>
Tax on profit	<u>13,787</u>	<u>8,643</u>

#### **9. DIVIDENDS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends paid during the year	<u>33,440</u>	<u>35,440</u>

#### **10. TANGIBLE ASSETS**

	<b>Leasehold improvements</b>	<b>Books</b>	<b>Website</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2018	—	18,138	—	23,635	41,773
Additions	<u>20,035</u>	<u>—</u>	<u>1,250</u>	<u>—</u>	<u>21,285</u>
<b>At 31 August 2019</b>	<u>20,035</u>	<u>18,138</u>	<u>1,250</u>	<u>23,635</u>	<u>63,058</u>
<b>Depreciation</b>					
At 1 September 2018	—	16,378	—	19,005	35,383
Charge for the year	<u>4,007</u>	<u>440</u>	<u>250</u>	<u>1,543</u>	<u>6,240</u>
<b>At 31 August 2019</b>	<u>4,007</u>	<u>16,818</u>	<u>250</u>	<u>20,548</u>	<u>41,623</u>
<b>Carrying amount</b>					
<b>At 31 August 2019</b>	<u>16,028</u>	<u>1,320</u>	<u>1,000</u>	<u>3,087</u>	<u>21,435</u>
At 31 August 2018	<u>—</u>	<u>1,760</u>	<u>—</u>	<u>4,630</u>	<u>6,390</u>

#### **11. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	100	8,270
Prepayments and accrued income	17,277	15,885
Other debtors	255	—
	<u>17,632</u>	<u>24,155</u>

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

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

### **YEAR ENDED 31 AUGUST 2019**

#### **12. CREDITORS: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	11,128	4,710
Corporation tax	13,955	8,356
Social security and other taxes	2,465	3,619
Accruals and deferred income	4,950	4,750
Other creditors	29,710	28,492
	<u>62,208</u>	<u>49,927</u>

#### **13. PROVISIONS**

	<b>Deferred tax (note 14)</b>
	<b>£</b>
At 1 September 2018	1,214
Unused amounts reversed	(186)
<b>At 31 August 2019</b>	<u><b>1,028</b></u>

#### **14. DEFERRED TAX**

The deferred tax included in the statement of financial position is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Included in provisions (note 13)	<u>1,028</u>	<u>1,214</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>1,028</u>	<u>1,214</u>

#### **15. EMPLOYEE BENEFITS**

##### **Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £344 (2018: £96).

#### **16. CALLED UP SHARE CAPITAL FULLY PAID**

##### **Issued, called up and fully paid**

	<b>2019</b>		<b>2018</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
A Shares of £1 each	2	2.00	2	2.00
B Shares of £1 each	1	1.00	1	1.00
	<u>3</u>	<u>3.00</u>	<u>3</u>	<u>3.00</u>

# **MATRIX COLLEGE OF COUNSELLING AND PSYCHOTHERAPY LTD**

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

### **YEAR ENDED 31 AUGUST 2019**

#### **17. RESERVES**

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### **18. OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	25,500	25,500
Later than 1 year and not later than 5 years	102,000	127,500
	<u>127,500</u>	<u>153,000</u>

#### **19. RELATED PARTY TRANSACTIONS**

The director has advanced monies to the company. At 31 August 2019 the amount due from the company was £7,127(2018 - £5,305).

#### **20. CONTROLLING PARTY**

The ultimate controlling party of the company is Mrs F M Paul.