

Registered number: 03787251

LONDON STUDIO CENTRE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2019



LONDON STUDIO CENTRE LIMITED
REGISTERED NUMBER: 03787251

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets		5,715	-
Tangible assets	4	1,484,844	1,616,080
		<u>1,490,559</u>	<u>1,616,080</u>
Current assets			
Debtors	5	5,291,235	4,887,201
Cash at bank and in hand	6	157,025	407,506
		<u>5,448,260</u>	<u>5,294,707</u>
Creditors: amounts falling due within one year	7	<u>(5,504,468)</u>	<u>(5,560,888)</u>
Net current liabilities		<u>(56,208)</u>	<u>(266,181)</u>
Total assets less current liabilities		<u>1,434,351</u>	<u>1,349,899</u>
Creditors: amounts falling due after more than one year	8	(24,702)	-
Provisions for liabilities			
Deferred tax	10	<u>(90,000)</u>	<u>(90,000)</u>
		<u>(90,000)</u>	<u>(90,000)</u>
Net assets		<u>1,319,649</u>	<u>1,259,899</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		1,319,647	1,259,897
		<u>1,319,649</u>	<u>1,259,899</u>

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.

LONDON STUDIO CENTRE LIMITED
REGISTERED NUMBER: 03787251

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The Company has opted not to file the statement of income and retained earnings 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:



N Espinosa
Director

Date: 5 February 2020

The notes on pages 4 to 13 form part of these financial statements.

LONDON STUDIO CENTRE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	59,750	152,403
Adjustments for:		
Depreciation of tangible assets	319,725	274,053
Loss on disposal of tangible assets	(2,300)	-
Interest paid	2,044	3,390
Interest received	-	(1)
Taxation charge	40,990	24,955
(Increase) in debtors	(404,034)	(202,979)
(Decrease) in creditors	(42,347)	(232,631)
Corporation tax (paid)	(59,045)	(73,178)
Net cash generated from operating activities	<u>(85,217)</u>	<u>(53,988)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(5,715)	-
Purchase of tangible fixed assets	(188,489)	(249,580)
Sale of tangible fixed assets	2,300	-
Interest received	-	1
HP interest paid	(345)	-
Net cash from investing activities	<u>(192,249)</u>	<u>(249,579)</u>
Cash flows from financing activities		
Proceeds from new hire purchase contracts	28,684	-
Interest paid	(1,699)	(3,390)
Net cash used in financing activities	<u>26,985</u>	<u>(3,390)</u>
Net (decrease) in cash and cash equivalents	<u>(250,481)</u>	<u>(306,957)</u>
Cash and cash equivalents at beginning of year	407,506	714,463
Cash and cash equivalents at the end of year	<u><u>157,025</u></u>	<u><u>407,506</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	157,025	407,506
	<u><u>157,025</u></u>	<u><u>407,506</u></u>

The notes on pages 4 to 13 form part of these financial statements.

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. General information

London Studio Centre Limited is a private company, limited by shares, incorporated in England and Wales, registration number 03787251. The company's registered address is 6th Floor 2 London Wall Place, London, EC2Y 5AU.

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 following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Revenue

Tuition fees for degree and foundation courses are charged to students by academic term. Income is recognised for academic terms falling within the year.

Amounts received from performances are recognised as revenue in the year in which the performance occurs.

Charitable donations are recognised on receipt or where there is a certainty of future receipt and the value can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.8 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 Income and Retained Earnings 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

2.10 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	- Straight line over the term of the lease
Plant and machinery	- 15% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% straight line
Production equipment	- Straight line over ten years
Asset under construction	- Not depreciated until brought into use

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 the Statement of Income and Retained Earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 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 the Statement of Income and Retained Earnings 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.15 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 43 (2018 - 44).

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost				
At 1 September 2018	578,364	416,769	16,450	304,549
Additions	50,544	21,401	35,302	3,745
Disposals	-	-	(16,450)	-
At 31 August 2019	<u>628,908</u>	<u>438,170</u>	<u>35,302</u>	<u>308,294</u>
Depreciation				
At 1 September 2018	87,907	212,997	16,450	176,331
Charge for the year	83,763	63,779	8,826	45,015
Disposals	-	-	(16,450)	-
At 31 August 2019	<u>171,670</u>	<u>276,776</u>	<u>8,826</u>	<u>221,346</u>
Net book value				
At 31 August 2019	<u>457,238</u>	<u>161,394</u>	<u>26,476</u>	<u>86,948</u>
At 31 August 2018	<u>490,457</u>	<u>203,772</u>	<u>-</u>	<u>128,218</u>

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Tangible fixed assets (continued)

	Production equipment £	Total £
Cost		
At 1 September 2018	1,105,924	2,422,056
Additions	77,497	188,489
Disposals	-	(16,450)
At 31 August 2019	<u>1,183,421</u>	<u>2,594,095</u>
Depreciation		
At 1 September 2018	312,291	805,976
Charge for the year	118,342	319,725
Disposals	-	(16,450)
At 31 August 2019	<u>430,633</u>	<u>1,109,251</u>
Net book value		
At 31 August 2019	<u>752,788</u>	<u>1,484,844</u>
At 31 August 2018	<u>793,633</u>	<u>1,616,080</u>

5. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Due within one year		
Trade debtors	3,731,316	3,690,458
Other debtors	1,519,919	1,156,743
	<u>5,291,235</u>	<u>4,887,201</u>

LONDON STUDIO CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	157,025	407,506
	<u>157,025</u>	<u>407,506</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	416,242	392,488
Corporation tax	40,489	58,544
Other taxation and social security	35,733	31,500
Obligations under finance lease and hire purchase contracts	3,982	-
Other creditors	26,696	8,789
Accruals and deferred income	4,981,326	5,069,567
	<u>5,504,468</u>	<u>5,560,888</u>

The company's bankers have a debenture including a fixed charge over all present freehold and leasehold property; a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertaking both present and future.

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	24,702	-
	<u>24,702</u>	<u>-</u>

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	3,982	-
Between 1-5 years	24,702	-
	<u>28,684</u>	<u>-</u>

10. Deferred taxation

	2019 £
At beginning of year	(90,000)
At end of year	<u>(90,000)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(90,000)	(90,000)
	<u>(90,000)</u>	<u>(90,000)</u>

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,512 (2018 - £4,838). Contributions totalling £3,002 (2018 - £751) were payable to the fund at the reporting date and are included in creditors.

LONDON STUDIO CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Commitments under operating leases

At 31 August 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	677,000	677,195
Later than 1 year and not later than 5 years	2,597,000	2,634,000
Later than 5 years	640,000	1,280,000
	<u>3,914,000</u>	<u>4,591,195</u>
	2019 £	2018 £
Not later than 1 year	-	195
	<u>-</u>	<u>195</u>

14. Related party transactions

The company's parent undertaking is The Bridget Espinosa's Memorial Trust, a registered unincorporated charity. The company's results are included in the consolidated financial statements of The Bridget Espinosa Memorial Trust whose place of business is c/o Lester Aldridge LLP, 1 Fore Street Avenue, London, EC2Y 5EJ.

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 August 2019 was unqualified.

The audit report was signed on 7 February 2020 by John Coverdale BSc FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.