

LONDON STUDIO CENTRE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2020

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	6,315	5,715
Tangible assets	6	1,247,230	1,484,844
		<u>1,253,545</u>	<u>1,490,559</u>
Current assets			
Debtors	7	5,189,168	5,291,235
Cash at bank and in hand	8	743,726	157,025
		<u>5,932,894</u>	<u>5,448,260</u>
Creditors: amounts falling due within one year	9	(5,718,844)	(5,504,468)
Net current assets/(liabilities)		<u>214,050</u>	<u>(56,208)</u>
Total assets less current liabilities		<u>1,467,595</u>	<u>1,434,351</u>
Creditors: amounts falling due after more than one year	10	(20,429)	(24,702)
Provisions for liabilities			
Deferred tax	12	(90,000)	(90,000)
		<u>(90,000)</u>	<u>(90,000)</u>
Net assets		<u>1,357,166</u>	<u>1,319,649</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		1,357,164	1,319,647
		<u>1,357,166</u>	<u>1,319,649</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 2020

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: 12 April 2021

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 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	37,517	59,750
Adjustments for:		
Amortisation of intangible assets	600	-
Depreciation of tangible assets	306,817	319,725
Loss on disposal of tangible assets	-	(2,300)
Government grants	(52,001)	-
Interest paid	2,231	2,044
Taxation charge	46,309	40,990
Decrease/(increase) in debtors	102,067	(403,834)
Increase/(decrease) in creditors	202,580	(42,347)
Corporation tax (paid)	(34,804)	(59,045)
Net cash generated from operating activities	611,316	(85,017)
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,200)	(5,715)
Purchase of tangible fixed assets	(69,203)	(188,489)
Sale of tangible fixed assets	-	2,300
Government grants received	52,001	-
HP interest paid	(1,579)	(345)
Net cash from investing activities	(19,981)	(192,249)
Cash flows from financing activities		
Repayment of/new finance leases	(3,982)	28,684
Interest paid	(652)	(1,699)
Net cash used in financing activities	(4,634)	26,985
Net increase/(decrease) in cash and cash equivalents	586,701	(250,281)
Cash and cash equivalents at beginning of year	157,025	407,306
Cash and cash equivalents at the end of year	743,726	157,025
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	743,726	157,025
	743,726	157,025

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 all 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 profit or loss 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 2020**

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 Government grants

Government grants are recognised in the statement of comprehensive income in the period in which they become receivable and are matched with the expenditure towards which they are intended to contribute.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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	- 10% 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 the Statement of Income and Retained Earnings.

2.12 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.

2.13 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.

2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.15 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.

2.16 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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2019 - 43).

4. Grant and fee income

	2020	2019
	£	£
Grant income from the OfS	-	-
Grant income from other bodies	54,000	45,000
Fee income for taught awards (exclusive of VAT)	4,041,373	4,150,990
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	144,625	188,125
Total grant & fee income	<u>4,239,998</u>	<u>4,384,115</u>

5. Intangible assets

	Development expenditure £
Cost	
At 1 September 2019	5,715
Additions	1,200
At 31 August 2020	<u>6,915</u>
Amortisation	
Charge for the year	600
At 31 August 2020	<u>600</u>
Net book value	
At 31 August 2020	<u>6,315</u>
At 31 August 2019	<u>5,715</u>

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Production equipment £
Cost					
At 1 September 2019	628,908	438,170	35,302	308,294	1,183,421
Additions	27,744	9,076	-	15,449	16,934
At 31 August 2020	<u>656,652</u>	<u>447,246</u>	<u>35,302</u>	<u>323,743</u>	<u>1,200,355</u>
Depreciation					
At 1 September 2019	171,670	276,776	8,826	221,346	430,633
Charge for the year on owned assets	80,831	59,532	8,825	37,594	120,035
At 31 August 2020	<u>252,501</u>	<u>336,308</u>	<u>17,651</u>	<u>258,940</u>	<u>550,668</u>
Net book value					
At 31 August 2020	<u>404,151</u>	<u>110,938</u>	<u>17,651</u>	<u>64,803</u>	<u>649,687</u>
At 31 August 2019	<u>457,238</u>	<u>161,394</u>	<u>26,476</u>	<u>86,948</u>	<u>752,788</u>
					Total £
Cost					
At 1 September 2019					2,594,095
Additions					69,203
At 31 August 2020					<u>2,663,298</u>
Depreciation					
At 1 September 2019					1,109,251
Charge for the year on owned assets					306,817
At 31 August 2020					<u>1,416,068</u>
Net book value					
At 31 August 2020					<u>1,247,230</u>
At 31 August 2019					<u>1,484,844</u>

LONDON STUDIO CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Debtors

	2020	2019
	£	£
Due after more than one year		
Other debtors	40,000	40,000
	40,000	40,000
Due within one year		
Trade debtors	3,591,237	3,731,316
Other debtors	1,557,931	1,519,919
	5,189,168	5,291,235

8. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	743,726	157,025
	743,726	157,025

9. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	529,567	416,242
Corporation tax	51,994	40,489
Other taxation and social security	29,960	35,733
Obligations under finance lease and hire purchase contracts	4,273	3,982
Other creditors	17,999	26,696
Accruals and deferred income	5,085,051	4,981,326
	5,718,844	5,504,468

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.

LONDON STUDIO CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	20,429	24,702
	<u>20,429</u>	<u>24,702</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	4,273	3,982
Between 1-5 years	20,429	24,702
	<u>24,702</u>	<u>28,684</u>

12. Deferred taxation

	2020 £
At beginning of year	(90,000)
At end of year	<u>(90,000)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(90,000)	(90,000)
	<u>(90,000)</u>	<u>(90,000)</u>

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 (2019 - 2) Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

LONDON STUDIO CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14. 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 £18,965 (2019 - £12,512). Contributions totaling £3,740 (2019 - £3,002) were payable to the fund at the reporting date and are included in creditors.

15. Commitments under operating leases

At 31 August 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	677,000	677,000
Later than 1 year and not later than 5 years	2,560,000	2,597,000
Later than 5 years	-	640,000
	<u>3,237,000</u>	<u>3,914,000</u>

16. Related party transactions

The company's parent undertaking is The Bridget Espinosa 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.

As at 31 August 2020 the company was owed £1,336,259 (2019 - £1,292,563) by Bridget Espinosa's London Studio Centre Limited, the loan is non-interest bearing and is repayable upon demand. The director Nic Espinosa has control over both the company and Bridget Espinosa's London Studio Centre Limited.

During the year ended 31 August 2020 the company accrued for licence and marketing fees which are due to be paid to Bridget Espinosa's London Studio Centre Limited of £250,000 plus VAT (2019 - £Nil).

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 August 2020 was unqualified.

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