Registered number: 03787251

LONDON STUDIO CENTRE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 JULY 2023

LONDON STUDIO CENTRE LIMITED
REGISTERED NUMBER: 03787251

BALANCE SHEET
AS AT 31 JULY 2023

	Note		31 July 2023 £		*31 August 2022 £*
Fixed assets					
Intangible assets	4		**39,750**		*51,669*
Tangible assets	5		**680,106**		*800,028*
			719,856		*851,697*
Current assets					
Debtors	6	**4,108,268**		*5,224,573*	
Cash at bank and in hand	7	**327,824**		*869,106*	
		4,436,092		*6,093,679*	
Creditors: amounts falling due within one year	8	**(3,558,790)**		*(5,381,694)*	
Net current assets			**877,302**		*711,985*
Total assets less current liabilities			**1,597,158**		*1,563,682*
Creditors: amounts falling due after more than one year	9		**(194,169)**		*(232,750)*
Provisions for liabilities					
Deferred tax	11	**(90,000)**		*(90,000)*	
			(90,000)		*(90,000)*
Net assets			**1,312,989**		*1,240,932*
Capital and reserves					
Called up share capital	12		**2**		*2*
Profit and loss account			**1,312,987**		*1,240,930*
			1,312,989		*1,240,932*

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2023

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:

Mr N Espinosa
Director

Date: 5 January 2024

The notes on pages 3 to 13 form part of these financial statements.

1. General information

London Studio Centre Limited is a private company, limited by shares, incorporated in England and Wales, with registration number 03787251. The company's registered address is Aston House, Cornwall Avenue, London, N3 1LF.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

The financial statements represent the 11 month period to 31 July 2023. The comparative period in these financial statements is for the year to 31 August 2022 and is not therefore entirely comparable.

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 Going concern

The company has made a profit for the period of £72,057 (2022: £167,823 loss) for the 11 month period ended 31 July 2023 and had net assets of £1,312,989 (2022: £1,240,932). The director has reviewed the available funds, in conjunction with the plans for the year ahead and is reasonably confident that the company will have sufficient access to working capital to support its planned activities for a period of at least 12 months from the date of signing these financial statements. The director is therefore satisfied that the going concern basis is appropriate for the preparation of these financial statements.

2.3 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. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

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 performances occurs.

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

2.5 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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 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.

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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period 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 balance sheet 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 balance sheet 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 balance sheet 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. Accounting policies (continued)

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.

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:

Long-term leasehold property	-		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 profit or loss.

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.

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.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2. Accounting policies (continued)

2.16 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 balance sheet 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 Balance Sheet.

2.17 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 Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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 given as full time equivalents was 28 *(2022 - 29)*.

The average monthly number of employees, including directors, during the period was 53 *(2022 - 58)*.

4. Intangible assets

	Development expenditure £	Computer software £	Total £
Cost			
At 1 September 2022	**26,295**	**39,732**	**66,027**
At 31 July 2023	**26,295**	**39,732**	**66,027**
Amortisation			
At 1 September 2022	**6,412**	**7,946**	**14,358**
Charge for the period on owned assets	**4,635**	**7,284**	**11,919**
At 31 July 2023	**11,047**	**15,230**	**26,277**
Net book value			
At 31 July 2023	**15,248**	**24,502**	**39,750**
At 31 August 2022	*19,883*	*31,786*	*51,669*

Development expenditure relates to course development costs. These are amortised over 5 and 6 years as this relates to the course validation period which varies depending on which body a course was validated by.

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 September 2022	**656,652**	**481,033**	**35,302**	**324,098**	**1,292,841**	**2,789,926**
Additions	**-**	**6,393**	**36,078**	**-**	**68,780**	**111,251**
Disposals	**-**	**-**	**(35,302)**	**-**	**-**	**(35,302)**
At 31 July 2023	**656,652**	**487,426**	**36,078**	**324,098**	**1,361,621**	**2,865,875**
Depreciation						
At 1 September 2022	**414,161**	**438,017**	**35,302**	**298,899**	**803,519**	**1,989,898**
Charge for the period on owned assets	**74,094**	**12,257**	**-**	**11,740**	**124,814**	**222,905**
Charge for the period on financed assets	**-**	**-**	**8,268**	**-**	**-**	**8,268**
Disposals	**-**	**-**	**(35,302)**	**-**	**-**	**(35,302)**
At 31 July 2023	**488,255**	**450,274**	**8,268**	**310,639**	**928,333**	**2,185,769**
Net book value						
At 31 July 2023	**168,397**	**37,152**	**27,810**	**13,459**	**433,288**	**680,106**
At 31 August 2022	*242,491*	*43,016*	*-*	*25,199*	*489,322*	*800,028*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 July 2023 £	*31 August 2022 £*
Motor vehicles	**27,810**	-
	27,810	-

6. Debtors

	31 July 2023 £	*31 August 2022 £*
Due after more than one year		
Other debtors	**40,000**	*40,000*
	40,000	*40,000*
Due within one year		
Trade debtors	**2,459,691**	*3,870,784*
Other debtors	**1,360,177**	*1,090,315*
Prepayments and accrued income	**248,400**	*212,126*
Tax recoverable	**-**	*11,348*
	4,108,268	*5,224,573*

7. Cash and cash equivalents

	31 July 2023 £	*31 August 2022 £*
Cash at bank and in hand	**327,824**	*869,106*
	327,824	*869,106*

8. Creditors: Amounts falling due within one year

	31 July 2023 £	*31 August 2022 £*
Trade creditors	**278,074**	*215,630*
Corporation tax	**27,902**	-
Other taxation and social security	**42,380**	*34,880*
Obligations under finance lease and hire purchase contracts	**4,028**	*15,866*
Other creditors	**269,213**	*112,083*
Accruals and deferred income	**2,937,193**	*5,003,235*
	3,558,790	*5,381,694*

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.

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

	31 July 2023 £	*31 August 2022 £*
Net obligations under finance leases and hire purchase contracts	**27,169**	-
Other creditors	**167,000**	*232,750*
	194,169	*232,750*

Restated 2022 comparative following decision to reclassify portion of repayable registration fees as noncurrent from current.

10. Hire purchase leases

Minimum lease payments under hire purchase fall due as follows:

	31 July 2023 £	*31 August 2022 £*
Within one year	**4,027**	*15,866*
Between 1-5 years	**27,169**	*-*
	31,196	*15,866*

Hire purchase leases are secured over the assets to which they relate.

11. Deferred taxation

	31 July 2023 £	*31 August 2022 £*
At beginning of year	**(90,000)**	*(90,000)*
At end of year	**(90,000)**	*(90,000)*

The provision for deferred taxation is made up as follows:

	31 July 2023 £	*31 August 2022 £*
Accelerated capital allowances	**(90,000)**	*(90,000)*
	(90,000)	*(90,000)*

12. Share capital

	31 July 2023 £	*31 August 2022 £*
Allotted, called up and fully paid		
2 *(2022 - 2)* Ordinary shares shares of £1 each	**2**	*2*

13. 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 £20,879 (2022: £21,265). Contributions totaling £5,527 (2022: £4,698) were payable to the fund at the reporting date and are included in creditors.

14. Commitments under operating leases

At 31 July 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 July 2023 £	*31 August 2022 £*
Not later than 1 year	**659,000**	*622,159*
Later than 1 year and not later than 5 years	**713,917**	*1,544,318*
	1,372,917	*2,166,477*

15. Related party transactions

As at 31 July 2023, the Company was owed £1,359,159 (2022: £1,084,978) by Bridget Espinosa's London Studio Centre Limited, a company under the common control of the director.

The loan is non-interest bearing and is repayable upon demand. During the year, the Company was charged for licence and marketing fees by Bridget Espinosa's London Studio Centre Limited totalling £96,000 (2022: £Nil).

As at 31 July 2023, the Company owed £13,132 (2022: £998) to Nicholas Espinosa (director).

There were medical insurance charges during the year of £5,191 (2022: £4,755) relating to Nicholas Espinosa and £4,814 (2022: £4,469) relating to Nicola Espinosa (a member of the Senior Management Group, the governing body of the Company).

16. Controlling party

The Company's parent undertaking is The Bridget Espinosa Memorial Trust, a registered unincorporated charity, registered in England and Wales. 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. Copies of the consolidated financial statements can be obtained from the Charities Commission.

17. Auditors' information

The auditors' report on the financial statements for the period ended 31 July 2023 was unqualified.

The audit report was signed on 5 January 2024 by Alexander Chrysaphiades FCA (Senior Statutory Auditor) on behalf of Adler Shine LLP.