

Registered number: 08292030

DSL OPERATIONS LTD

**REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 JULY 2022**



DSL OPERATIONS LTD

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | Professor A Woodman Professor P D John P Fuller |
| Registered number | 08292030 |
| Registered office | University of West London St. Marys Road London W5 5RF |
| Independent auditors | BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA |

DSL OPERATIONS LTD

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

The directors present their report and the financial statements for the year ended 31 July 2022.

Principal activity

The principal activity of the company during the period was that of training actors including all related skills and subjects.

Business review

The company continued its role as a drama school wholly owned by the University of West London.

Turnover in the year was £1,876,637 compared with £1,598,930 in the prior year. The profit for the financial year was £420,188 compared with £364,524 in the prior year.

Political and charitable contributions

The Company made no political contributions during the year, (2021: nil).

The Company intends to make a payment after the year-end to its ultimate parent undertaking under the Gift Aid scheme sufficient to eliminate any liability to corporation tax. The payment made this year was £288,937 (2021 - £243,575)

Directors

The directors who served during the year were:

Professor A Woodman
Professor P D John
P Fuller

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

This report was approved by the board on 22nd November 2022 and signed on its behalf.



Professor A Woodman
Director

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2022**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

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Independent Auditor's Report to MEMBERS of Drama School London Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of DSL Operations Limited ("the Company") for the year ended 31 July 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the director's report other than the financial statements and our auditor's report thereon. 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. 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 course of 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 this gives rise to

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a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are 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 Directors determine 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 Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the UK Companies Act and relevant tax legislation. In addition the Company is subject to many other laws and regulations where the consequences of non-

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compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employments Law, Data Protection and Health and Safety Legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

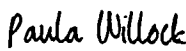
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Challenging assumptions made by management in their significant accounting estimates; and
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 16 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022**

| | Note | 2022 £ | 2021 £ |
|--------------------------------------|------|------------------|------------------|
| Turnover | | 1,876,637 | 1,598,930 |
| Cost of sales | | (512,642) | (492,446) |
| Gross profit | | 1,363,995 | 1,106,484 |
| Administrative expenses | | (943,807) | (757,649) |
| Profit before tax | 4 | 420,188 | 348,835 |
| Tax on profit | 7 | - | 15,689 |
| Profit for the financial year | | 420,188 | 364,524 |

There are no items of other comprehensive income in the current or prior year.

All amounts relate to continuing activities.

The notes on pages 12 to 23 form part of these financial statements.

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REGISTERED NUMBER: 08292030

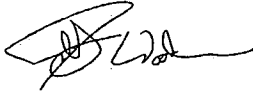
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022

| | Note | 2022 £ | 2021 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 3,442,801 | 3,382,014 |
| Investments | 9 | 2 | 2 |
| | | <u>3,442,803</u> | <u>3,382,016</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 30,976 | 44,584 |
| Cash at bank and in hand | 11 | 1,325,350 | 1,199,741 |
| | | <u>1,356,326</u> | <u>1,244,325</u> |
| Creditors: amounts falling due within one year | 12 | <u>(3,017,925)</u> | <u>(2,976,388)</u> |
| Net current liabilities | | <u>(1,661,599)</u> | <u>(1,732,063)</u> |
| Total assets less current liabilities | | <u>1,781,204</u> | <u>1,649,953</u> |
| Provisions for liabilities | | | |
| Deferred tax | 13 | (210,000) | (210,000) |
| Other provisions | 14 | <u>(185,050)</u> | <u>(185,050)</u> |
| | | <u>(395,050)</u> | <u>(395,050)</u> |
| Net assets | | <u>1,386,154</u> | <u>1,254,903</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 400 | 400 |
| Share premium account | 16 | 79,920 | 79,920 |
| Revaluation reserve | 16 | 1,143,000 | 1,151,000 |
| Profit and loss account | 16 | <u>162,834</u> | <u>23,583</u> |
| | | <u>1,386,154</u> | <u>1,254,903</u> |

DSL OPERATIONS LTD
REGISTERED NUMBER: 08292030

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2022

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



Professor A Woodman
Director

Date: 15 December 2022

The notes on pages 12 to 23 form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022**

| | Called up share capital £ | Share premium account £ | Revaluation reserve £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------|
| At 1 August 2021 | 400 | 79,920 | 1,151,000 | 23,583 | 1,254,903 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 420,188 | 420,188 |
| Transfer (to)/from profit and loss account | - | - | (8,000) | 8,000 | - |
| Qualifying charitable donation | - | - | - | (288,937) | (288,937) |
| At 31 July 2022 | <u>400</u> | <u>79,920</u> | <u>1,143,000</u> | <u>162,834</u> | <u>1,386,154</u> |

The notes on pages 12 to 23 form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021**

| | Called up share capital £ | Share premium account £ | Revaluation reserve £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------|
| At 1 August 2020 | 400 | 79,920 | 1,159,000 | (105,366) | 1,133,954 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 364,524 | 364,524 |
| Transfer to profit and loss account | - | - | (8,000) | 8,000 | - |
| Qualifying charitable donation | - | - | - | (243,575) | (243,575) |
| At 31 July 2021 | <u>400</u> | <u>79,920</u> | <u>1,151,000</u> | <u>23,583</u> | <u>1,254,903</u> |

The notes on pages 12 to 23 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1. General information

DSL Operations Limited is a private company limited by shares, incorporated in England and Wales. The address of the registered office is University of West London, St. Marys Road, London, W5 5RF.

The company specialises in actor training and all related skills and subjects.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006. The company has taken advantage of the following exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

- the requirements of section 7 Statement of Cashflows;
- the requirements of section 33 Related Party Disclosures 33.11

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities of £1,661,599 (2021 - £1,732,063) at the Statement of financial position date.

The board has reviewed the company's forecasts for the period to 31 July 2024 and is content that these plans are realistic and that the accounts should be prepared on a going concern basis.

The company has funding from its parent entity, The University of West London, which is disclosed in Note 12 to the accounts. This debt is repayable on demand and represents an uncertainty when assessing the forecast period. However, the company has obtained an undertaking that it will not be demanded before 31 December 2023.

Given the current cash balances, the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.4 Turnover

Revenue on acting courses 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 on acting courses is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes and is recognised over the period that a course runs.

2.5 Tangible fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on the date of transition to FRS 102 are measured on the basis of deemed cost, being the revalued amounts at the date of that transition.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

| | |
|---------------------------|-------------------------------|
| Freehold property | - 2% on cost |
| S/Term Leasehold Property | - Straight line over 10 years |
| Motor vehicles | - 25% reducing balance basis |
| Fixtures & fittings | - 15% reducing balance basis |
| Office equipment | - Straight line over 5 years |

The land element of the freehold property is not depreciated.

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 comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price.

2.8 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.11 Pensions

Defined contribution pension plan

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

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

2.12 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 comprehensive income 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

Tax is recognised in the Statement of comprehensive income, 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.

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

In applying the company's accounting policies the directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These are based on experience, historical outcomes and other factors that are considered relevant. Actual results may differ from these estimates.

The directors consider that the provisions for bad debts on trade debtors and the provision for potential VAT on certain sales have had the most significant effect on the amounts recognised in the financial statements.

4. Profit before tax

The profit before tax is stated after charging:

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Auditors remuneration for audit services | 10,874 | 7,920 |
| Depreciation | <u>24,546</u> | <u>25,635</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

5. Employees

| | 2022 | 2021 |
|--------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 645,584 | 537,093 |
| Social security | 62,581 | 48,052 |
| Other pension | 10,503 | 7,214 |
| Severance | 12,500 | - |
| | <u>731,168</u> | <u>592,359</u> |

The average monthly number of employees, including directors, during the year was 19 (2021 - 27).

6. Directors' remuneration

During the year, the directors received no emoluments (2021 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

7. Taxation

| | 2022 £ | 2021 £ |
|--|-----------|-----------------|
| Current tax on profits for the year | - | - |
| Adjustments in respect of previous periods | - | (15,689) |
| Total current tax credit | - | (15,689) |
| Deferred tax | | |
| Movement on deferred tax | - | - |
| Total deferred tax | - | - |
| Taxation on loss on ordinary activities | - | 15,689 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 – lower than) the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|-----------|-----------------|
| Profit on ordinary activities before tax | 420,188 | 348,835 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 79,836 | 66,279 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2,714 | (2,903) |
| Capital allowances for year in excess of depreciation | 2,450 | 4,385 |
| Theatre tax relief | (12,835) | (12,863) |
| Adjustment in respect of prior year | - | (15,689) |
| Gift aid relief | (72,165) | (54,898) |
| Total tax charge for the year | - | (15,689) |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

7. Taxation (continued)

DSL Operations Limited is wholly owned by the University of West London, a charity. The gift aid payment of £379,819 will be made to the charitable parent within 9 months of the reporting date and that payment will qualify to be set against profits for tax purposes.

Factors that may affect future tax charges

In the March 2021 Budget, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023 for profits over £250,000. There are no other significant factors that may affect future tax charges.

DSL OPERATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

8. Tangible fixed assets

| | Freehold property £ | S/Term Leasehold Property £ | Motor vehicles £ | Equipment £ | Total £ |
|-----------------------|---------------------------|--------------------------------------|------------------------|----------------|------------------|
| Cost | | | | | |
| At 1 August 2021 | 3,500,000 | 8,900 | 2,386 | 71,773 | 3,583,059 |
| Additions | - | - | - | 85,333 | 85,333 |
| At 31 July 2022 | <u>3,500,000</u> | <u>8,900</u> | <u>2,386</u> | <u>157,106</u> | <u>3,668,392</u> |
| Depreciation | | | | | |
| At 1 August 2021 | 140,000 | 7,282 | 2,117 | 51,646 | 201,045 |
| Charge for the year | 20,000 | 809 | 49 | 3,688 | 24,546 |
| At 31 July 2022 | <u>160,000</u> | <u>8,091</u> | <u>2,166</u> | <u>55,334</u> | <u>225,591</u> |
| Net book value | | | | | |
| At 31 July 2022 | <u>3,340,000</u> | <u>809</u> | <u>220</u> | <u>101,772</u> | <u>3,442,801</u> |
| At 31 July 2021 | <u>3,360,000</u> | <u>1,618</u> | <u>269</u> | <u>20,127</u> | <u>3,382,014</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

The company's freehold property was valued by Rolfe East (property estate agents) as at 18 March 2015 and on conversion to FRS102 this valuation was used as deemed cost.

| Comprising | L & B £ |
|------------------------|------------------------|
| Cost | 2,100,000 |
| Revaluation | 1,400,000 |
| | <hr/> |
| At 31 July 2022 | 3,500,000 |
| | <hr/> <hr/> |

Included in the valuation is land of £2.5m.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2022 | 2021 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Cost | 2,100,000 | 2,100,000 |
| Accumulated depreciation | (93,000) | (91,000) |
| | <hr/> | <hr/> |
| | 2,007,000 | 2,009,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

9. Fixed asset investments

| | Investments in subsidiary companies £ |
|------------------|--|
| Cost | |
| At 1 August 2021 | 2 |
| | <hr/> |
| At 31 July 2022 | 2 |
| | <hr/> |

DSL OPERATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

9. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Registered office | Class of shares | Holding |
|-----------------------------|---|-----------------|---------|
| Drama Studio London Limited | The University Of West London, St. Marys Road, London, W5 5RF | Ordinary | 100% |

The above company is dormant.

10. Debtors

| | 2022 | 2021 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 23,180 | 35,259 |
| Other debtors | - | 113 |
| Prepayments and accrued income | 7,796 | 9,212 |
| | <u>30,976</u> | <u>44,584</u> |

11. Cash and cash equivalents

| | 2022 | 2021 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Cash and cash equivalents | 1,325,350 | 1,199,741 |
| | <u>1,325,350</u> | <u>1,199,741</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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12. Creditors: Amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 78,669 | 119,504 |
| Amounts owed to group undertakings | 2,634,304 | 2,545,229 |
| Other creditors | 304,952 | 311,655 |
| | <u>3,017,925</u> | <u>2,976,388</u> |

13. Deferred taxation

| | 2022 | 2021 |
|--------------------------------|-----------------------|-----------------------|
| | £ | £ |
| At beginning of year | 210,000 | 210,000 |
| Credited to the profit or loss | - | - |
| At end of year | <u><u>210,000</u></u> | <u><u>210,000</u></u> |

The provision for deferred taxation is made up as follows:

| | 2022 | 2021 |
|--------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Accelerated capital allowances | 3,400 | 3,400 |
| Capital gain on disposal | 206,600 | 206,600 |
| | <u><u>210,000</u></u> | <u><u>210,000</u></u> |

The company has trading losses to carry forward which have not been recognised as deferred tax assets due to uncertainty over their recovery.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Provisions

| | Other provision £ |
|---------------------------|-------------------------|
| At 1 August 2021 | 185,050 |
| Charged to profit or loss | - |
| | <hr/> |
| At 31 July 2022 | <u>185,050</u> |

The company has provided degree courses for De Montfort University. The VAT status of these supplies is uncertain. The directors have made a provision of their best estimate of the VAT that they believe may be payable.

15. Share capital

| | 2022 | 2021 |
|------------------------------------|------------|------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 400 Ordinary shares of £1 each | <u>400</u> | <u>400</u> |

16. Reserves

Revaluation reserve

Included within reserves is a transfer of non-distributable revaluation reserve of £1,143,000 (2021 - £1,151,000).

17. Related party transactions

The company has taken advantage of section 33, as allowed by FRS 102, not to disclose any transactions with other wholly owned members of the group.

18. Ultimate parent entity and controlling party

At the year-end, the company was under the control of The University of West London, St. Mary's Road, Ealing, London, W5 5RF, the parent company.