

Company Registration No. 11260579 (England and Wales)

BRIGHTON FILM SCHOOL HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 AUGUST 2020



BRIGHTON FILM SCHOOL HOLDINGS LIMITED

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Fixed assets					
Intangible assets	4	1,352,006	1,530,293	-	-
Investments	5	-	-	1	1
Tangible assets	6	1,050,686	892,784	-	-
		2,402,692	2,423,077	1	1
Current assets					
Debtors: amounts falling due within one year	7	68,240	71,713	16,581	16,644
Tax receivable		13,347	13,347	-	-
Cash at bank and in hand	8	606,785	203,454	1,524	1,496
		688,372	288,514	18,105	18,140
Creditors: amounts falling due within one year	9	(1,602,447)	(1,390,450)	(18,000)	(18,000)
Net current (liabilities)/ assets		(914,075)	(1,101,936)	105	140
Total assets less current liabilities		1,488,617	1,321,141	106	141
Creditors: amounts falling due after more than one year	10	(3,392,353)	(2,427,724)	(242,353)	(77,724)
Provision for liabilities	11	(14,247)	(6,760)	-	-
Total assets less total liabilities being net (liabilities)/ assets		(1,917,983)	(1,113,343)	(242,247)	(77,583)
Capital and reserves					
Called up share capital	12	8	8	8	8
Profit and loss account		(1,917,991)	(1,113,351)	(242,255)	(77,591)
Shareholders' funds		(1,917,983)	(1,113,343)	(242,247)	(77,583)

The Group and Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Group has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

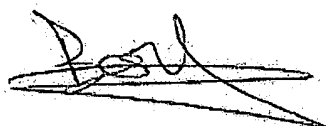
The notes on pages 4 to 13 form part of these financial statements.

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

B Yeboah
Director

Date: 13 August 2021

Company Registration No. 11260579



BRIGHTON FILM SCHOOL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

Group	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 September 2019	8	(1,113,351)	(1,113,343)
<i>Comprehensive income for the year</i>			
Loss for the year	-	(804,640)	(804,640)
Total comprehensive loss for the year	-	(804,640)	(804,640)
 Balance at 31 August 2020	 8	 (1,917,991)	 (1,917,983)

Group	Share capital	Retained earnings	Total equity
	£	£	£
At 1 September 2018	219	(419,224)	(419,005)
<i>Comprehensive income for the period</i>			
Recategorisation of share capital as liabilities in nature	(211)	-	(211)
Loss for the year	-	(694,127)	(694,127)
Total comprehensive loss for the year	(211)	(694,127)	(694,338)
 Balance at 31 August 2019	 8	 (1,113,351)	 (1,113,343)

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

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

Company	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 September 2019	8	(77,591)	(77,583)
<i>Comprehensive income for the year</i>			
Loss for the year	-	(164,664)	(164,664)
Total comprehensive loss for the year	-	(164,664)	(164,664)
Balance at 31 August 2020	8	(242,255)	(242,247)

Company	Share capital	Retained earnings	Total equity
	£	£	£
At 1 September 2018	219	(18)	201
<i>Comprehensive income for the period</i>			
Recategorisation of share capital as liabilities in nature	(211)	-	(211)
Loss for the year	-	(77,573)	(77,573)
Total comprehensive loss for the year	(211)	(77,573)	(77,784)
Balance at 31 August 2019	8	(77,591)	(77,583)

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

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.1 Basis of preparation of financial statements

Brighton Film School Holdings Limited is a private company incorporated in England and Wales and is limited by shares and the address of its registered office is 84-86 London Road, Brighton, BN1 4JF.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The individual accounts of Brighton Film School Holdings have also adopted the following disclosure exemptions:

-the requirement to present a statement of cash flows and related notes

-financial instrument disclosures, including:

- categories of financial instruments
- items of income, expenses, gains or losses relating to financial instruments, and
- exposure to and management of financial risk

The financial statements are presented in sterling (£).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The financial statements of the Group for the year ended 31 August 2019 comprise Brighton Film School Holdings Limited ('Company') and its subsidiaries (together referred to as the 'Group').

On 16 March 2018 the Company acquired the entire share capital of Brighton Film School Investments Limited. On 6 April 2018 Brighton Film School Investments Limited acquired the entire share capital of Brighton Film School Limited, and thus Brighton Film School Holdings Limited became the ultimate Parent of the Group. The majority shareholder of Brighton Film School Holdings Limited is Sovereign Capital IV Limited Partnership. The managing partner is Sovereign Capital Partners LLP.

Subsidiaries

The Group financial statements consolidate those of the Parent Company and all its subsidiaries as at 31 August 2019.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interests based on their respective ownership interests.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1.2 Basis of consolidation (continued)

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present:

- power over the investee
- exposure or rights to variable returns from the investee
- the ability of the Company to use its power to affect those variable returns.

Control is re-assessed whenever facts and circumstances indicate that there may be a change in any of the above elements of control.

Transactions eliminated on consolidation

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interests based on their respective ownership interests.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

1.3 Going Concern

After reviewing the Group's forecasts and projections and taking into account the economic conditions and possible changes in trading performance of which the Company is a part, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being for a period of at least 12 months from the approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements. The Group's forecasts and projections show that the Group should be able to operate within the level of current resources and borrowing facilities as they fall due. If needed, the Directors are confident of the business's ability to obtain further funding from existing investors or debt providers, in particular following the purchase of the group after the year end (see note 22). The Group is confident in the continued support of the Murphy Topco Group following the post year-end purchase. Therefore the directors continue to adopt the going concern basis in preparing its financial statements. Brighton Film School Investments Limited obtained a loan of £0.8m during the year (2019: £0.2m). The total loan at 31 August 2020 was £3,150,000 (2019: £2,350,000) and is repayable in 2023.

The directors, having considered the United Kingdom's exit from the European Union and COVID-19 as outlined in the directors' report, consider the group's financial resources to be sufficient to provide the required support and that the company is well placed to manage its business and competitive risks. In particular we do not consider that Covid-19 will materially affect income, profitability, or cash-flow. This is mainly due to the successful adaptation of our business model to on-line delivery, the adequate availability of banking facilities, and the continued honouring of payments by the Student Loans Company to the wider Murphy Topco Group. Projections through to August 2022 do not indicate that any of these metrics will be materially affected by Covid-19. Management have also considered a number of downside scenarios around a significant decrease in new students. A very significant decrease could cause a breach in covenants. However, the current applications and acceptances are tracking in line with the business plan. The company therefore continues to adopt the going concern basis in preparing its financial statements.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 payable in respect of taxable profit for the current or past reporting periods 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.

1.5 Goodwill

Goodwill represents the difference between amounts paid on acquisition of a business and the fair value of the identifiable assets and liabilities. Acquired goodwill is amortised on a straight line basis, over useful life of 10 years. Goodwill is reviewed for indicators of impairment annually.

1.6 Investments

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies at an entity level so as to obtain benefit from its activities. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.7 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	20 years straight line over the lease term from date of occupancy
and machinery	Plant
Computer equipment	15% reducing balance
Fixtures, fittings & equipment	20% straight line
	20% straight line

1.8 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 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.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1.10 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.

1.11 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.

1.12 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a present 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 made, they are charged to the provision carried in the Statement of Financial Position.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates. The key areas of estimation uncertainty in the preparation of these accounts are as follows:

Loans and receivables

Management assess the recoverability of loans, trade debtors and other receivables balances and record a provision to the extent that they are not considered recoverable. Management assess the credit risk, of each customer in a period, and reviewed in conjunction with debt ageing and collection history, and a provision recorded against those that are not deemed recoverable.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility and expected life of certain tuition and recording equipment.

Goodwill and intangible assets

Management establish a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Management review the estimate of the useful lives of goodwill and other intangible assets at each reporting date, based on the expected utility of the assets.

Fair value through profit and loss

Management uses a range of estimates to calculate fair value through profit and loss including forecast EBITDA and equity value multiples. A 37 % change in estimated values would cause a material change to the valuation of the C Shares within long-term liabilities.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

3 Group - Directors and employees

The average monthly number of employees (including directors) during the year was:

	Year 2020 Number	Year 2019 Number
Administration	17	6
Building and facilities	2	2
Teaching	3	3
Management	1	1
	<u>23</u>	<u>12</u>

4 Group Intangible fixed assets

	Goodwill £
Cost or valuation	
At 1 September 2019	1,782,866
Additions	-
At 31st August 2020	<u>1,782,866</u>
Amortisation	
At 1 September 2019	(252,573)
Charge for the year	(178,287)
At 31st August 2020	<u>(430,860)</u>
Net book value	
At 31 August 2020	<u>1,352,006</u>
At 31 August 2019	<u>1,530,293</u>

The directors considered the carrying value of goodwill at 31 August 2020 for impairment indicators and were satisfied that the net book value was fully recoverable. This includes reviewing the business plan forecast and cashflows, and the consideration of market conditions and its impact on the business.

On 16 March 2018 the Company acquired 100% of the shares in Brighton Film School Investments Limited for £1. On 6 April Brighton Film School Investments acquired 100% of the shares in Brighton Film School Limited for £2.1m including £299k transaction costs.

Goodwill has been calculated as the difference between the fair value of the consideration paid and the fair value of net assets acquired on the date that control was achieved. This is set out below.

The acquisition has been accounted for by the acquisition method of accounting and the resulting goodwill of £1.78m has been capitalised. The goodwill is amortised over a 10-year life and no individually identifiable intangible assets have been separately recognised. See note 2 on judgements made by directors in accounting for goodwill.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

4 Group Intangible fixed assets (continued)

Details of consideration paid, net assets at acquisition, and goodwill created are as follows:

		Fair value £
Consideration paid		1,800,000
Acquisition costs capitalised		298,550
Total consideration paid		<u>2,098,550</u>
Net assets acquired:		
Non-current assets	138,274	
Current assets	429,263	
Current liabilities	<u>(251,853)</u>	
		(315,684)
Goodwill arising on acquisition		<u>1,782,866</u>

The acquisition of Brighton Film School Investments Limited contributed revenue of £217,163 and a net loss after taxation of £419,206 to the consolidated Brighton Film School Holdings Limited result for the period.

If the acquisition had occurred at the beginning of the period, the revenue for the combined entity for the period ended 31 August 2018 would have been £294,155 and the loss after tax would have been £385,853.

5 Company Investments

	£
Cost	
At 1 September 2019	1
Additions	
At 31st August 2020	<u>1</u>

On 16 March 2018 the Company acquired the entire share capital of Brighton Film School Investments Limited. On 6 April 2018 Brighton Film School Investments Limited acquired the entire share capital of Brighton Film School Limited, and thus Brighton Film School Holdings Limited became the ultimate Parent of the Group.

The Company has the following investments in subsidiaries:

Name	Country of incorporation	Class of share held	Ownership	Nature of business
Brighton Film School Limited	England and Wales	Ordinary	100%	Film education
Brighton Film School Investments Limited	England and Wales	Ordinary	100%	Financing
Name				Profit/(loss) for the year ended 31 August 2020 £
Brighton Film School Limited				65,369
Brighton Film School Investments Limited				(529,482)

The investment in Brighton Film School Investments Limited is direct and the investment in Brighton Film Schools Limited is indirect.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

6 Group Tangible fixed assets

	L/Term Leasehold Property £	Classroom equipment £	Furniture, fittings & equipment £	Total £
Cost or valuation				
At 1 September 2019	382,127	469,990	106,694	958,811
Additions	223,481	36,855	117,613	377,949
Disposals	(4,032)	-	(2,976)	(7,008)
At 31 August 2020	601,576	506,845	221,331	1,329,752
Depreciation				
At 1 September 2019	15,661	31,824	18,542	66,027
Charge for the year	63,152	108,032	41,855	213,039
At 31 August 2020	78,813	139,856	60,397	279,066
Net book value				
At 31 August 2020	522,763	366,989	160,934	1,050,686

7 Debtors: amounts falling due within one year	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	-	2,174	-	-
Prepayments and accrued income	44,921	37,201	-	-
Other taxes and social security	-	4,112	-	-
Intercompany debtors	-	-	16,581	16,644
Other debtors	23,319	28,226	-	-
	68,240	71,713	16,581	16,644

8 Cash and cash equivalent	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	606,785	203,454	1,524	1,496

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

9	Creditors: amounts falling due within one year	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
	Trade creditors	37,353	526,606	-	-
	Corporation tax	-	1	-	-
	Other taxes and social security costs	17,717	-	-	-
	Other creditors	358,742	244,997	-	-
	Amounts owed to Group undertakings	-	-	18,000	18,000
	Accruals and deferred income	1,188,635	618,846	-	-
		<u>1,602,447</u>	<u>1,390,450</u>	<u>18,000</u>	<u>18,000</u>

All intercompany balances are repayable on demand and are non-interest bearing.

10	Creditors: amounts falling due after more than one year	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
	Loans	3,150,000	2,350,000	-	-
	C shares	242,353	77,724	77,724	77,724
		<u>3,392,353</u>	<u>2,427,724</u>	<u>77,724</u>	<u>77,724</u>
	Loans repayable and included within liabilities are analysed as follows:				
	Wholly repayable within 1 year	-	-	-	-
	Wholly repayable within 1-5 years	3,150,000	2,350,000	-	-
	Wholly repayable after 5 years	-	-	-	-
		<u>3,150,000</u>	<u>2,350,000</u>	<u>-</u>	<u>-</u>

Interest is accrued on loans at 15%, compounding.

On 6 April 2018 the Company granted a share charge against its shares in Brighton Film School Investments Limited in favour of The Royal Bank of Scotland Plc as security against long term loans of £3,150,000 (2019: £2,350,000) as at the balance sheet date.

11 Group provision for liabilities

Provision is made for deferred tax liabilities as follows:

	2020 £	2019 £
Balance at 1 September	6,760	9,486
Recognised in profit and loss account	7,487	(2,726)
Balance at 31 August	<u>14,247</u>	<u>6,760</u>

The deferred tax liability results from timing differences on fixed assets.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

12 Group and parent share capital

	2020	2019	2020	2019
Authorised, allotted and fully paid:	No.	£	No.	£
A1 Ordinary shares of £0.0001 each	58,573	6	58,573	6
A2 Ordinary shares of £0.0001 each	15,901	2	15,901	2
B Ordinary shares of £0.0001 each	4,376	-	4,376	-
C1 Ordinary shares of £0.01 each	-	-	-	-
C2 Ordinary shares of £0.01 each	-	-	-	-
		8		8

Shares of the following classes are considered liabilities in nature:

Share class	2020	2019	2020	2019
	No.	£	No.	£
C1 Ordinary shares of £0.01 each	18,000	180	18,000	180
C2 Ordinary shares of £0.01 each	3,150	31	3,150	31
Fair value adjustment on C shares		242,142		77,513
		242,353		77,724

All ordinary shares are considered to be equity in nature apart from C shares which are considered to be liabilities in nature.

The Company was incorporated on 16 March 2018 with 1 ordinary £1 share allotted on that date. On the 6 April 2018 the 1 ordinary £1 share was redesignated as 1 A1 ordinary £1 share, and the 1 A1 ordinary share then subdivided into 10,000 A1 ordinary £0.0001 shares, and the remaining share capital allotted.

Class of share	Voting rights	Entitlement to distribution
A1 and A2 Ordinary	One vote provided that A shares represent greater than 70% of the total voting rights.	The right to participate in a dividend distribution pari-passu with the holders of the B Ordinary Shares subject to any capital distributions made to the holders of the Preferred Ordinary Shares.
B Ordinary	No voting rights.	The right to participate in a dividend distribution pari-passu with the holders of the A Ordinary Shares subject to any capital distributions made to the holders of the Preferred Ordinary Shares.
C1 Ordinary	One vote provided that C1 shares represent greater than 5% and not more than 30% of the total voting rights.	The right to participate in a dividend distribution pari-passu with the holders of the C2 Ordinary Shares subject to any capital distributions made to the holders of the Preferred Ordinary Shares and distributions made to the holders of the A and B Ordinary shares.
C2 Ordinary	No voting rights.	The right to participate in a dividend distribution pari-passu with the holders of the C1 Ordinary Shares subject to any capital distributions made to the holders of the Preferred Ordinary Shares and distributions made to the holders of the A and B Ordinary shares.

BRIGHTON FILM SCHOOL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

13 Commitments under operating leases

At 31 August 2019 the Company had no minimum lease payments under non-cancellable operating leases. The Group had future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings	
	2020	2019
	£	£
Within one year	148,000	79,833
Between 2-5 years	582,250	226,000
More than 5 years	417,833	35,083
	<u>1,148,083</u>	<u>340,916</u>

14 Related party transactions

At the year end, included within Creditors due after more than one year, is a total of C Ordinary Shares of £242,353 (2019: £77,724) due to Directors.

The Company's parent and ultimate parent of the Group was Sovereign Capital IV Limited Partnership at the balance sheet date. The Company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group. The ultimate parent company changed subsequent to the year end. See note 16 for further details.

15 Capital Commitments

The Company has no outstanding capital commitments at 31 August 2020.

16 Post balance sheet events

On 20 November 2020 the ownership of the Brighton Film School Group passed from Sovereign Capital IV Limited Partnership to Intermediate Capital Group PLC. This was effected by the purchase of 100% of the equity of Brighton Film School Holdings Limited by Murphy Bidco Limited whose ultimate parent company is Murphy Topco Limited, in turn whose majority shareholder is a wholly owned subsidiary of Intermediate Capital Group PLC.

Thus Murphy Topco Limited became the ultimate parent company of the Brighton Film School group, and the majority shareholder of the Brighton Film School Group became Murphy VII Investment S.à r.l, a company incorporated in Luxembourg and a wholly owned subsidiary of Intermediate Capital Group PLC.

As part of the change of control, the banking arrangements were refreshed providing a total £90,000,000, including a rolling credit facility of £10,000,000, of available capital to continue the investment in the Group's activities.

On 18 January 2021 the trade and assets of Brighton Film School Limited, an indirect subsidiary of the company, were purchased by BIMM Limited, a related party by common directorship, for consideration of £533,733 being the market value of the assets at that date.

17 Auditor's information

The Group and company's accounts for the year ended 31 August 2020 were subject to audit by Grant Thornton UK LLP. The Senior Statutory Auditor is Anthony Thomas. The audit report was unqualified.