

Company Registration No. 02963163 (England and Wales)

**POINT BLANK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# POINT BLANK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R A Cowan Mr M J Brookes Dr A C Gower Mr K Harris Mr D P Black	(Appointed 25 February 2020)
<b>Secretary</b>	Mr M J Brookes	
<b>Company number</b>	02963163	
<b>Registered office</b>	c/o Jack Ross Chartered Accountants Barnfield House The Approach Blackfriars Road Manchester M3 7BX	
<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	
<b>Business address</b>	23/28 Penn Street London N1 5DL	

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# POINT BLANK LIMITED

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# POINT BLANK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

#### Fair review of the business

The Directors of the business are satisfied with the results for the year ended 31 December 2020, as turnover has increased in the current year and the administrative expenses are in line with the budgeted expenses showing the business is controlling expenditure effectively.

#### Principal risks and uncertainties

The company has a Collegiate agreement in place with Middlesex University that awards students degrees upon the successful completion of their courses.

The majority of the company's revenue is generated from the London and Online schools and is secured before each term start (September, January, April and June) by virtue of the recruitment process which ensures the majority of students have contracts in place by the start of each academic term.

The Principal risk in the business is student achievement and retention rates. In the event that these were to fall significantly, this could result in a decline in student numbers and potential losses could be incurred. This risk is managed by the delivery of focused student support and engagement across the schools managed through use of the Virtual Learning Environment (VLE).

The retention and achievement rates are strong and are measured on a regular basis and reviewed by both the school managers and the directors. This process is also supported by both Quality Assurance and Student Support teams, who also review the information and follow up and resolve issues as they occur.

During 2020, Point Blank's application to the Office for Students (OfS) to switch category to Approved (Fee Cap) was accepted in July 2020. The School had already instituted a programme to invest in key areas of staffing in order to fulfil its forthcoming obligations under its Access and Participation Plan (APP) which sits at the centre of the Approved (Fee Cap) application.

OfS grant funding became applicable from July 2020 and is key in enabling the School to fund the resources needed to expand all areas of student support, e.g. in recruitment of new members of staff in key roles such as teaching, widening participation management and student liaison. This has contributed to the School's ability to meet the commitment to enrol students from diverse backgrounds who may need additional support, both financially and otherwise, to seek a successful career in the music industry.

The major risk that was faced by everyone this year was the COVID-19 pandemic. Whilst this mainly resulted in deferrals early in the year, once the national lockdown was in place, an effective plan to significantly upgrade and enhance the capabilities of the VLE to deliver a high standard of virtual learning which enabled the School to maintain its reputation in delivering outstanding student satisfaction.

#### Development and performance

The principal activity of the company is the provision of higher education courses in music. With focus on continued expansion and development of both the London and Online schools.

#### Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	2020	2019	Variance
Turnover	£7,213k	£6,710k	+7.5%
Gross profit margin	50.4%	53.5%	-5.8%
EBITDA	£1,880k	£1,676k	+12.2%

# POINT BLANK LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Financial Risk

The company's principal financial instruments comprise of bank balances, trade debtors and trade creditors. The purpose of these instruments is to raise funds to finance the company's operations. As a result, the main risks the company is exposed to are credit and liquidity.

The academic fees are set annually and students enrolling on degree courses are able to avail themselves of a student loan paid by the Student Loans Company with the fees being subject to the statutory fee cap from September 2020. Student loans are paid by the Student Loans Company directly to Point Blank during the course of the year. The Board consider there to be sufficient access to working capital facilities to manage the cycle with appropriate levels of fiscal headroom. Students who pay privately are required to do so in advance of each term and international visa students in advance of the start of their academic year

On behalf of the board

*Robert Cowan*

Mr R A Cowan (Jun 21, 2021, 4:02pm)

**Director**

17 June 2021

*Jules Brookes*

Mr M J Brookes (Jun 21, 2021, 3:56pm)

**Mr M J Brookes**  
**Director**

17 June 2021

# POINT BLANK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Principal activities

The principal activity of the company is the provision of higher education courses in music. The company has a Collegiate agreement in place with Middlesex University that awards students degrees upon the successful completion of their courses.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R A Cowan

Mr M J Brookes

Dr A C Gower

Mr K Harris

Mr D P Black

(Appointed 25 February 2020)

#### Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £939,808 (2019: £1,124,208). The directors do not recommend payment of a final dividend.

#### Financial instruments

##### Credit risk

The company's principle financial assets are investments, bank balances and cash, and trade debtors. Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All students who wish to trade on credit terms are subject to credit verification procedures. The amounts presented in the balance sheet are net of allowances for doubtful debts where necessary.

#### Research and development

The company undertakes research and development activities in order to continually enhance and improve its digital management systems and e-learning platform, the Virtual Learning Environment (VLE).

#### Events after the balance sheet date

The School's facilities remained closed over the year-end in line with the national lockdown regulations that were imposed in November 2020 to contain the transmission rates of COVID-19.

The majority of students were able to continue their studies using the virtual delivery model that the school developed specially in order to maintain the delivery of quality education through the pandemic.

The School also repaid all Coronavirus Job Retention Scheme grants that were received in 2020 as the School was considered financially stable following the initial uncertainty that arose from the impact of the COVID-19 outbreak in March 2020.

#### Auditor

PM+M Solutions for Business LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# POINT BLANK LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

On behalf of the board

*Robert Cowan*

Mr R A Cowan (Jun 21, 2021, 4:02pm)

**Director**

17 June 2021

*Jules Brookes*

Mr M J Brookes (Jun 21, 2021, 3:56pm)

**Director**

17 June 2021

# **POINT BLANK LIMITED**

## **GOVERNANCE STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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Point Blank Ltd (PB) is committed to the highest standards of governance and probity.

PB's Board of Directors is responsible for the affairs of PB and corporate governance reporting. The powers and responsibilities of the Board of Directors are limited and managed by its by-laws and Schedule of Delegation, as well as the obligation to provide higher education services in line with the regulations and requirements of Middlesex University. Point Blank Music School is a collegiate partner of Middlesex University and as such, all higher education courses are validated and awarded by Middlesex University.

The Board of Directors confirm that the School operates by and complies with the Office for Students' public interest principles. All Directors have agreed to adhere to and conduct all business in line with the seven Nolan principles. The Board of Directors have agreed to conduct all business and make decisions in line with the CUC Higher Education Code of Governance and IoD guidelines and CUC Remuneration Code as appropriate for the size of the School, with an "apply or explain" system.

The Board of Directors is responsible for ensuring the following: financial regularity; safeguarding of assets; ensuring value for money for the School and students; effective academic governance (e.g. overseeing the Academic Board); strategic planning and direction; providing a high quality education and making sure students get a valuable and worthwhile degree; and ensuring the reputation of the School.

Previously, the Board created an External Advisory Committee chaired by an external advisor with recognised experience in higher education, assisted by an experienced music industry professional. This Board would meet bi-annually and the directors had acted on their recommendations. Both of these advisors were formally appointed as non-executive directors in November 2019 and therefore the External Advisory Committee was no longer necessary. A further non-executive director was appointed in February 2020. Moving forward, new members will be recruited following a process where they will be scrutinised for appropriate qualification and agreement with the Nolan principles. The size and composition of the Board has been developed in line with guidelines, as appropriate for the size of the School.

The Board is 60% independent and its committees, chaired by non-executive directors, are as follows: the Nomination and Remuneration Committee which oversees the process of senior staff recruitment and setting remuneration levels; and the Audit and Value for Money Committee which ensures that the finances of the School are in order and that funds are being spent efficiently and correctly. This structure was formally adopted in November 2019.

In addition, the Board review reports from two further committees: the Executive Committee chaired by the General Manager and comprising all department heads plus Student Representatives to review Operations and Strategic Planning at departmental levels; the Academic Board chaired by the Head of Education and Development and also comprising of all department heads plus Student Representatives and is responsible for all aspects of academic standards, quality of courses, student feedback and course development.

Committee meetings were held quarterly, with the exception of the Nomination and Remuneration Committee, which met annually.

Board meetings were held quarterly to receive the Committee reports, engage with the committee Chairs and to act on the recommendations made.

The Board have acted to implement the Governance requirements of the Office for Students and consider that it has established robust procedures to meet its regulatory obligations and ensure academic experience. Systems are in place to review quarterly management accounts and approve the annual budget and strategic plan.

Internal audit procedures have been documented and an external review of internal controls will be carried out in 2021. The Board reappointed PM+M Solutions for Business LLP as its external auditor for 2020.



# **POINT BLANK LIMITED**

## **STATEMENT ON INTERNAL CONTROLS**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Scope of Responsibility**

Point Blank Ltd acknowledges that it has responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the Regulatory Advice 9; Accounts Direction published by the Office for Students.

### **Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely manner.

The system of internal control, which has been in place for the year ended 31st December 2020 and up to the date of approval of the Financial Statements, is commensurate with the size of the organisation and accords with the guidance issued by the OfS.

### **Risk and Control Framework**

The Risk and Control Framework consists of an ongoing review process which identifies the main risks to the School's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Risk management processes and procedures evolve from within our internal processes with the support and assistance of our outsourced management accountancy provider. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The system of internal control incorporates a comprehensive financial planning process including assessment of income, expenditure, capital and cash flow budgets during the year and periodic review of management information including the reporting of material variances and the projection of turnover for the year.

### **Ongoing Monitoring and Review**

On behalf of the Board, the Audit and Value for Money Committee monitor the effectiveness of control, governance, the management of risk and gains assurance on the School's arrangements to secure value for money. It receives reports from the Heads of Department, and where relevant, the external auditors. Senior management provides updates on the steps they are taking to manage risks in their area of responsibility and are delivered to the Audit and Value for Money Committee for review on a quarterly basis. The COVID-19 pandemic has further delayed the appointment of an independent internal auditor which is now scheduled to take place in the final quarter of 2021.

### **Review of Effectiveness**

The Audit and Value for Money Committee continues to review all internal systems covering financial, academic and human resources to ensure that they are fully documented. The issues raised in 2019 have now been addressed and the General Manager and Finance Officer have received further training in order to better control the administration of the withdrawal of non-paying students and general debt management.

### **Outcome of Review**

The Audit and Value for Money Committee will ensure the implementation of the Board's proposed appointment of an outsourced independent internal auditor to further strengthen the procedures put in place during the year under review.

The Board is confident that there are robust and proper arrangements in place to ensure that the School uses its publicly apportioned funds for the purpose intended by the Student Loans Company and the Office for Students.

# **POINT BLANK LIMITED**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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Point Blank Ltd can confirm that after due consideration and review, there are no instances of irregularity, impropriety, bribery or funding non-compliance that have been discovered to date. If any instances are identified subsequently, these will be notified to the Board and the Office for Students accordingly.

### **Regulatory & Quality Assurance**

As a UK HE provider, the company is regulated by the Office for Students (OfS), which is advised by its Designated Quality Body the Quality Assurance Agency (QAA) for England and the Education and Skills Funding Agency (ESFA). The company has implemented systems and processes to ensure compliance with relevant regulations and standards. Management regularly reviews systems and procedures in order to manage regulatory risk.

# POINT BLANK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF POINT BLANK LIMITED

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#### Opinion

We have audited the financial statements of Point Blank Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.

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

#### 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 are with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 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.

# POINT BLANK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### *TO THE MEMBER OF POINT BLANK LIMITED*

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#### **Opinion on other matters required by the Office for Students ('OfS')**

In our opinion, in all material respects;

- funds from whatever source administered by the company for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- the companies grant and fee income, as disclosed in the note to the accounts, has been materially misstated;
- the companies expenditure on access and participation activities for the financial year has been materially misstated.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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 strategic report and 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.

#### **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.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Company have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS.

# POINT BLANK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### *TO THE MEMBER OF POINT BLANK LIMITED*

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#### **Extent to which the audit was considered 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.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

# POINT BLANK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF POINT BLANK LIMITED

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#### Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

*PM M solutions for Business LLP*

**Christopher Johnson FCA (Senior Statutory Auditor)**  
**For and on behalf of PM+M Solutions for Business LLP**

**Chartered Accountants**  
**Statutory Auditor**

Date: 22nd June 2021  
New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

# POINT BLANK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	7,212,834	6,710,494
Cost of sales		(3,576,040)	(3,120,714)
<b>Gross profit</b>		<u>3,636,794</u>	<u>3,589,780</u>
Administrative expenses		(2,058,842)	(2,038,863)
Other operating income		191,755	-
<b>Operating profit</b>	<b>5</b>	<u>1,769,707</u>	<u>1,550,917</u>
Interest receivable and similar income	<b>9</b>	8,948	14,122
Amounts written off investments	<b>10</b>	21,491	59,593
<b>Profit before taxation</b>		<u>1,800,146</u>	<u>1,624,632</u>
Tax on profit	<b>11</b>	(280,718)	(265,279)
<b>Profit for the financial year</b>		<u><u>1,519,428</u></u>	<u><u>1,359,353</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# POINT BLANK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		814,558		861,234
Investments	14		508,979		487,453
			<u>1,323,537</u>		<u>1,348,687</u>
<b>Current assets</b>					
Debtors	15	2,338,000		2,351,416	
Cash at bank and in hand		2,885,438		2,451,524	
		<u>5,223,438</u>		<u>4,802,940</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,884,001)</u>		<u>(2,104,842)</u>	
<b>Net current assets</b>			<u>3,339,437</u>		<u>2,698,098</u>
<b>Total assets less current liabilities</b>			<u>4,662,974</u>		<u>4,046,785</u>
<b>Provisions for liabilities</b>	18		(118,987)		(123,583)
<b>Accruals and deferred income</b>	17		(473,266)		(432,101)
<b>Net assets</b>			<u>4,070,721</u>		<u>3,491,101</u>
<b>Capital and reserves</b>					
Called up share capital	20		102		102
Profit and loss reserves			4,070,619		3,490,999
<b>Total equity</b>			<u>4,070,721</u>		<u>3,491,101</u>

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 and are signed on its behalf by:

Robert Cowan

Mr R A Cowan (Jun 21, 2021, 4:02pm)  
Director

Jules Brookes

Mr M J Brookes (Jun 17, 2021, 3:56pm)  
Director

Company Registration No. 02963163



# POINT BLANK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		102	3,255,854	3,255,956
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	1,359,353	1,359,353
Dividends	<b>12</b>	-	(1,124,208)	(1,124,208)
<b>Balance at 31 December 2019</b>		<u>102</u>	<u>3,490,999</u>	<u>3,491,101</u>
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	1,519,428	1,519,428
Dividends	<b>12</b>	-	(939,808)	(939,808)
<b>Balance at 31 December 2020</b>		<u>102</u>	<u>4,070,619</u>	<u>4,070,721</u>

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# POINT BLANK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	1,647,282		1,442,599	
Income taxes paid		(218,426)		(248,657)	
		<u>1,428,856</u>		<u>1,193,942</u>	
<b>Net cash inflow from operating activities</b>					
<b>Investing activities</b>					
Purchase of tangible fixed assets		(64,047)		(30,542)	
Purchase of fixed asset investments		(35)		(133,744)	
Proceeds on disposal of fixed asset investments		-		136,220	
Interest received		4,608		8,661	
Dividends received		4,340		5,461	
		<u>(55,134)</u>		<u>(13,944)</u>	
<b>Net cash used in investing activities</b>					
<b>Financing activities</b>					
Dividends paid		(939,808)		(1,124,208)	
		<u>(939,808)</u>		<u>(1,124,208)</u>	
<b>Net cash used in financing activities</b>					
<b>Net increase in cash and cash equivalents</b>					
		433,914		55,790	
Cash and cash equivalents at beginning of year		2,451,524		2,395,734	
		<u>2,885,438</u>		<u>2,451,524</u>	
<b>Cash and cash equivalents at end of year</b>					

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# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Company information

Point Blank Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Jack Ross Chartered Accountants, Barnfield House, The Approach, Blackfriars Road, Manchester, M3 7BX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Point Blank Holdings Limited. These consolidated financial statements are available from its registered office.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the period, after adjusting for income relating to future courses.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold properties	5% straight line
Fixtures, fittings & equipment	3 years straight line / 25% reducing balance
Studio equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.11 Retirement benefits**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Deferred Income

The value of deferred income is calculated as the proportion of fees invoiced for courses not yet delivered at the balance sheet date.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Sale of Services	7,144,514	6,554,948
Sale of Equipment	47,728	58,795
Advertising Income	4,824	5,811
Franchise Income	15,721	90,913
Royalties Income	47	27
	<u>7,212,834</u>	<u>6,710,494</u>

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest received	4,608	8,661
Dividends received	4,340	5,461
Grants received	191,755	-
	<u>199,703</u>	<u>14,522</u>

	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,756,629	6,203,281
Europe	2,643	88,292
Rest of the World	453,562	418,921
	<u>7,212,834</u>	<u>6,710,494</u>



# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Grant and fee income

	<b>2020</b>
	<b>£</b>
Grant income from the OfS	191,755
Fee income for taught awards (exclusive of VAT)	5,434,973
Fee income from non-qualifying courses (exclusive of VAT)	1,709,541
Total grant and fee income	<u>7,336,269</u>

No comparatives have been given as this is the first year where grant income has been received and fee income has been split out between qualifying and non-qualifying courses.

### 5 Operating profit

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	20,311	36,800
Government grants	(191,755)	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,056	11,820
Depreciation of owned tangible fixed assets	110,723	125,407
Operating lease charges	<u>311,151</u>	<u>311,838</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to loss of £20,311 (2019: £36,800).

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Management	2	2
Admissions	11	7
Marketing	9	11
Education	81	61
Office	3	4
	<u>106</u>	<u>85</u>

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,402,457	1,955,838
Social security costs	230,290	193,413
Pension costs	67,317	100,613
	<u>2,700,064</u>	<u>2,249,864</u>

No staff received a basic salary of £100,000 or more in the current or prior year.

Head of provider total remuneration:

	2020	2019
	£	£
Basic pay	20,000	20,000
Dividends in lieu of salary	115,002	100,008
Performance related pay and other bonuses	-	-
Pension contributions	10,000	12,255
Other benefits/remuneration	-	-
	<u>145,002</u>	<u>132,263</u>

The remuneration of the head of provider is commensurate with the duties and obligations of the office.

Relationship of head of provider basic pay and total remuneration expressed as a multiple:

	2020	2019
Head of provider's basic pay as a multiple of the median of all staff	0.76	0.68
Head of provider's total remuneration as a multiple of the median of all staff	5.51	4.51

There was no compensation for loss of office paid.

### 7 Retirement benefit schemes

	2020	2019
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>67,317</u>	<u>100,613</u>

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the company. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	54,427	40,764
Company pension contributions to defined contribution schemes	20,000	62,255
	<u>74,427</u>	<u>103,019</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2).

### 9 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	4,247	7,996
Other interest income	361	665
	<u>4,608</u>	<u>8,661</u>
<b>Total interest revenue</b>		
	4,608	8,661
<b>Other income from investments</b>		
Dividends received	4,340	5,461
	<u>8,948</u>	<u>14,122</u>
<b>Total income</b>		
	<u>8,948</u>	<u>14,122</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,247	7,996
Dividends from financial assets measured at fair value through profit or loss	4,340	5,461
	<u>8,587</u>	<u>13,457</u>

### 10 Amounts written off investments

<b>fixed asset investments</b>	2020 £	2019 £
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	21,491	29,297
<b>Other gains/(losses)</b>		
Gain on disposal of financial assets held at fair value through profit or loss	-	30,296
	<u>21,491</u>	<u>59,593</u>

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	290,311	270,258
Adjustments in respect of prior periods	(7,029)	-
Total UK current tax	<u>283,282</u>	<u>270,258</u>
Foreign current tax on profits for the current period	2,032	6,523
Total current tax	<u>285,314</u>	<u>276,781</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,596)	(11,502)
Total tax charge	<u>280,718</u>	<u>265,279</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	<u>1,800,146</u>	<u>1,624,632</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	342,028	308,680
Tax effect of expenses that are not deductible in determining taxable profit	237	2,233
Gains not taxable	-	(5,756)
Double tax relief	(2,032)	(6,523)
Effect of revaluations of investments	(4,083)	(5,566)
Effect of overseas tax rates	2,032	6,523
Under/(over) provided in prior years	(7,029)	-
Dividend income	(825)	(1,038)
Deferred Tax	(4,596)	(11,502)
Depreciation Add Back	21,037	23,827
Capital Allowances	(14,755)	(8,957)
Other Tax Adjustments	(51,296)	(41,135)
Chargeable Gains	-	4,493
Taxation charge for the year	<u>280,718</u>	<u>265,279</u>

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Dividends

	2020 £	2019 £
Interim paid	939,808	1,124,208

### 13 Tangible fixed assets

	Leasehold properties £	Fixtures, fittings & equipment £	Studio equipment £	Total £
<b>Cost</b>				
At 1 January 2020	888,256	515,885	717,940	2,122,081
Additions	12,794	31,338	19,915	64,047
At 31 December 2020	901,050	547,223	737,855	2,186,128
<b>Depreciation and impairment</b>				
At 1 January 2020	261,881	437,103	561,863	1,260,847
Depreciation charged in the year	38,749	29,762	42,212	110,723
At 31 December 2020	300,630	466,865	604,075	1,371,570
<b>Carrying amount</b>				
At 31 December 2020	600,420	80,358	133,780	814,558
At 31 December 2019	626,375	78,782	156,077	861,234

### 14 Fixed asset investments

	2020 £	2019 £
Listed investments	508,979	487,453
<b>Listed investments included above:</b>		
Listed investments carrying amount	508,979	487,453

#### Fixed asset investments revalued

Fixed asset investments are valued with reference to market value.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	487,453
Additions	35
Valuation changes	21,491
At 31 December 2020	<u>508,979</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>508,979</u>
At 31 December 2019	<u>487,453</u>

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	501,122	476,259
Amounts owed by group undertakings	1,684,116	1,746,582
Other debtors	4,579	17,911
Prepayments and accrued income	148,183	110,664
	<u>2,338,000</u>	<u>2,351,416</u>

The amounts owed by group undertakings are provided interest free, unsecured and are repayable on demand.

### 16 Creditors: amounts falling due within one year

	2020 £	2019 £
Payments received on account	1,191,354	1,450,557
Trade creditors	103,894	92,018
Amounts owed to group undertakings	380,382	1,866
Corporation tax	141,077	74,189
Other taxation and social security	67,216	61,146
Other creditors	78	425,066
	<u>1,884,001</u>	<u>2,104,842</u>

The amounts owed to group undertakings are interest free, unsecured and are repayable on demand.

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 17 Accruals and deferred income

	2020 £	2019 £
Accruals	318,046	192,192
Deferred income	155,220	239,909
	<u>473,266</u>	<u>432,101</u>

### 18 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	19	118,987	123,583

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	<u>118,987</u>	<u>123,583</u>
<b>Movements in the year:</b>		<b>2020 £</b>
Liability at 1 January 2020		123,583
Credit to profit or loss		(4,596)
Liability at 31 December 2020		<u>118,987</u>

The deferred tax liability set out above in relation to capital allowances is not expected to fully reverse within 12 months as it relates to accelerated capital allowances that are not expected to mature within the same period.

### 20 Share capital

	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>		
102 Ordinary shares of £1 each	<u>102</u>	<u>102</u>

# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	323,592	308,592
Between two and five years	1,294,368	1,234,368
In over five years	217,864	511,456
	<u>1,835,824</u>	<u>2,054,416</u>

### 22 Related party transactions

#### Transactions with related parties

The only key management personnel are the Directors and their remuneration is disclosed in Note 8.

During the year the company entered into the following transactions with related parties:

There was an amount outstanding in respect of loans advanced of £9,327 (2019: £1,866 loans received) due from Point Blank Holdings Limited, the parent company.

There was also an amount outstanding in respect of loans advanced of £1,516,955 (2019: £1,635,385) due from Point Blank Properties Limited, which is a 100% owned subsidiary of the parent company Point Blank Holdings Limited.

In addition there was an amount outstanding in respect of loans advanced of £150,918 (2019: £111,196) due from Point Blank Los Angeles Inc, which is a 100% owned subsidiary of the parent company Point Blank Holdings Limited.

There was also an amount outstanding in respect of loans advanced of £6,915 (2019: £Nil) due from Point Blank Music Limited, which is a 100% owned subsidiary of the parent company Point Blank Holdings Limited.

There was an amount outstanding in respect of loans received from Point Blank International Limited, a 100% owned subsidiary of the parent company Point Blank Holdings Limited, of £380,382 (2019: £Nil) which was still outstanding at the balance sheet date.

Included in other debtors is an amount owed from the directors of £3,328 (2019: £1,722). This loan is provided interest free, unsecured and repayable on demand. The maximum balance in the year was £4,060 and the total of repayments made was £44,784.

The company has taken advantage of the exemption in FRS 102 from disclosing related party transactions with fellow members of the group which are wholly owned subsidiaries.



# POINT BLANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 23 Ultimate controlling party

The immediate and ultimate parent company is Point Blank Holdings Limited, a company registered in England and Wales with its registered office at c/o Jack Ross Chartered Accountants, Barnfield House, The Approach, Blackfriars Road, Manchester, M3 7BX.

The ultimate controlling party is the director, Mr R Cowan, by virtue of his interest in the share capital of the immediate and ultimate parent company, Point Blank Holdings Limited.

#### 24 Access and participation expenditure

	2020 £
Access investment	71,408
Financial support provided to students	20,429
Support for disabled students	5,052
Research and evaluation expenditure	19,159
	<u>116,048</u>

The total of the approved expenditure in the Access and Participation Plan for the year ended 31 December 2020 was £110,997. Included within this expenditure are staff costs amounting to £103,147 which are already included in the staff cost figure in the financial statements, note 6.

To note that support for disabled students is wholly comprised of the Disabled Student Premium grant funding and so already included in the grant and fee income figure, note 4.

As set out in the Accounts Direction (OfS 2019.41), no comparatives have been given as the prior year expenditure relates to the Widening Participation Plan and the amounts are not comparable.

Details of the approved plan can be found at:

<https://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/accessplans/10019178>

#### 25 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	1,519,428	1,359,353
<b>Adjustments for:</b>		
Taxation charged	280,718	265,279
Investment income	(8,948)	(14,122)
Depreciation and impairment of tangible fixed assets	110,723	125,407
Amounts written off investments	(21,491)	(59,593)
Increase/decrease in accruals and deferred income	41,165	(528,206)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	13,416	(12,901)
(Decrease)/increase in creditors	(287,729)	307,382
<b>Cash generated from operations</b>	<u>1,647,282</u>	<u>1,442,599</u>