

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

THE LEARNING EXPERIENCE
SYSTEMS UK LTD

MENZIES

THE LEARNING EXPERIENCE SYSTEMS UK LTD

COMPANY INFORMATION

Directors	R Weissman S Levine S Paine B Alexander
Registered number	11486882
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

THE LEARNING EXPERIENCE SYSTEMS UK LTD

CONTENTS

	Page
Consolidated statement of financial position	1
Company statement of financial position	2 - 3
Consolidated statement of changes in equity	4
Company statement of changes in equity	5
Notes to the financial statements	6 - 16

THE LEARNING EXPERIENCE SYSTEMS UK LTD

REGISTERED NUMBER:11486882

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	23,723	-
Tangible assets	5	2,702,257	2,905,265
		<u>2,725,980</u>	<u>2,905,265</u>
Current assets			
Stocks	7	578,432	-
Debtors: amounts falling due within one year	8	1,551,240	165,437
Cash at bank and in hand		72,264	1,368,484
		<u>2,201,936</u>	<u>1,533,921</u>
Creditors: amounts falling due within one year	9	(421,799)	(250,426)
Net current assets		<u>1,780,137</u>	<u>1,283,495</u>
Total assets less current liabilities		<u>4,506,117</u>	<u>4,188,760</u>
Provisions for liabilities			
Net assets		<u>4,506,117</u>	<u>4,188,760</u>
Capital and reserves			
Called up share capital	10	11,213,994	9,392,887
Profit and loss account		(6,707,877)	(5,204,127)
Equity attributable to owners of the parent Company		<u>4,506,117</u>	<u>4,188,760</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

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

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

.....
S Levine
Director

Date: 4 April 2024

The notes on pages 6 to 16 form part of these financial statements.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

REGISTERED NUMBER:11486882

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	23,723	-
Tangible assets	5	6,892	3,508
Investments	6	3,934,477	3,933,977
		<u>3,965,092</u>	<u>3,937,485</u>
Current assets			
Stocks	7	578,432	-
Debtors: amounts falling due within one year	8	1,754,647	479,004
Cash at bank and in hand		928	1,330,500
		<u>2,334,007</u>	<u>1,809,504</u>
Creditors: amounts falling due within one year	9	(261,164)	(111,640)
Net current assets		<u>2,072,843</u>	<u>1,697,864</u>
Total assets less current liabilities		<u>6,037,935</u>	<u>5,635,349</u>
Net assets		<u>6,037,935</u>	<u>5,635,349</u>
Capital and reserves			
Called up share capital	10	11,213,994	9,392,887
Profit and loss account brought forward		(3,757,538)	(2,357,006)
Loss for the year		(1,418,521)	(1,400,532)
Profit and loss account carried forward		(5,176,059)	(3,757,538)
		<u>6,037,935</u>	<u>5,635,349</u>

THE LEARNING EXPERIENCE SYSTEMS UK LTD
REGISTERED NUMBER:11486882

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

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

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

.....
S Levine
Director

Date: 4 April 2024

The notes on pages 6 to 16 form part of these financial statements.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	6,600,122	(3,402,429)	3,197,693
Comprehensive income for the year			
Loss for the year	-	(1,801,698)	(1,801,698)
Contributions by and distributions to owners			
Shares issued during the year	2,792,765	-	2,792,765
At 1 January 2023	9,392,887	(5,204,127)	4,188,760
Comprehensive income for the year			
Loss for the year	-	(1,503,750)	(1,503,750)
Contributions by and distributions to owners			
Shares issued during the year	1,821,107	-	1,821,107
At 31 December 2023	<u>11,213,994</u>	<u>(6,707,877)</u>	<u>4,506,117</u>

The notes on pages 6 to 16 form part of these financial statements.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	6,600,122	(2,357,006)	4,243,116
Comprehensive income for the year			
Loss for the year	-	(1,400,532)	(1,400,532)
Contributions by and distributions to owners			
Shares issued during the year	2,792,765	-	2,792,765
At 1 January 2023	9,392,887	(3,757,538)	5,635,349
Comprehensive income for the year			
Loss for the year	-	(1,418,521)	(1,418,521)
Contributions by and distributions to owners			
Shares issued during the year	1,821,107	-	1,821,107
At 31 December 2023	<u>11,213,994</u>	<u>(5,176,059)</u>	<u>6,037,935</u>

The notes on pages 6 to 16 form part of these financial statements.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Learning Experience Systems UK Ltd is a private company, limited by shares, incorporated in England in Wales under the Companies Act 2006. The address of the registered office is disclosed on the company information page and the principal place of business is 250 East End Road, East Finchley, London, N2 8AU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group has full support from its Parent Company, The Learning Experience Corporation, is funding the development of these centres and enabling the Group to meet its liabilities as they fall due.

The Learning Experience Corporation has indicated its intention to provide funding support without restriction for a period of at least 12 months from the approval of these financial statements. The Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets held by the company are currently under construction and no depreciation will be charged until the assets are brought into use.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

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

2.9 Intangible assets

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

The estimated useful lives range as follows:

Trademarks	-	Straight line to renewal date
------------	---	-------------------------------

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	Over the life of the lease
Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the first in, first out basis. Cost includes the purchase price, including taxes and transport and handling directly attributable to bringing the stocks to its present location and condition.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3. Employees

The average monthly number of employees, during the year was 43 (2022 - 25).

4. Intangible assets

Group

	Trademarks £
Cost	
At 1 January 2023	-
Additions	26,883
At 31 December 2023	26,883
Amortisation	
Charge for the year on owned assets	3,160
At 31 December 2023	3,160
Net book value	
At 31 December 2023	23,723
At 31 December 2022	-

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

4. Intangible assets (continued)

Company

	Trademarks
	£
Cost	
At 1 January 2023	-
Additions	26,883
At 31 December 2023	26,883
Amortisation	
Charge for the year	3,160
At 31 December 2023	3,160
Net book value	
At 31 December 2023	23,723
At 31 December 2022	-

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2023	3,343,896	4,785	109,866	3,458,547
Additions	9,150	30,547	20,372	60,069
At 31 December 2023	<u>3,353,046</u>	<u>35,332</u>	<u>130,238</u>	<u>3,518,616</u>
Depreciation				
At 1 January 2023	523,107	1,277	28,898	553,282
Charge for the year on owned assets	239,103	956	23,018	263,077
At 31 December 2023	<u>762,210</u>	<u>2,233</u>	<u>51,916</u>	<u>816,359</u>
Net book value				
At 31 December 2023	<u>2,590,836</u>	<u>33,099</u>	<u>78,322</u>	<u>2,702,257</u>
At 31 December 2022	<u>2,820,789</u>	<u>3,508</u>	<u>80,968</u>	<u>2,905,265</u>

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. Tangible fixed assets (continued)

Company

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2023	4,785	-	4,785
Additions	-	4,650	4,650
At 31 December 2023	4,785	4,650	9,435
Depreciation			
At 1 January 2023	1,277	-	1,277
Charge for the year on owned assets	956	310	1,266
At 31 December 2023	2,233	310	2,543
Net book value			
At 31 December 2023	2,552	4,340	6,892
At 31 December 2022	3,508	-	3,508

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	3,933,977
Additions	500
At 31 December 2023	3,934,477
Net book value	
At 31 December 2023	3,934,477
<i>At 31 December 2022</i>	<i>3,933,977</i>

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
TLE at East Finchley UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Leatherhead UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
Leatherhead Red UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Dorking UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Epsom UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Hampton Wick UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Balham UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %
TLE at Weybridge UK Limited	Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT	Ordinary	100 %

7. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Work in progress	578,432	-	578,432	-
	<u>578,432</u>	<u>-</u>	<u>578,432</u>	<u>-</u>

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. Debtors

	Group 2023 £	<i>Group</i> <i>2022</i> £	Company 2023 £	<i>Company</i> <i>2022</i> £
Trade debtors	10,503	4,531	-	-
Amounts owed by group undertakings	-	-	328,473	410,458
Other debtors	1,418,574	41,159	1,417,983	44,382
Called up share capital not paid	100	100	100	100
Prepayments and accrued income	122,063	119,647	8,091	24,064
	<u>1,551,240</u>	<u>165,437</u>	<u>1,754,647</u>	<u>479,004</u>

9. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group</i> <i>2022</i> £	Company 2023 £	<i>Company</i> <i>2022</i> £
Trade creditors	202,055	53,957	138,816	46,849
Other creditors	-	-	800	300
Accruals and deferred income	219,744	196,469	121,548	64,491
	<u>421,799</u>	<u>250,426</u>	<u>261,164</u>	<u>111,640</u>

10. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary Shares shares of £1.00 each	100	100
11,213,894 (2022 - 9,392,787) Preference Shares shares of £1.00 each	11,213,894	9,392,787
	<u>11,213,994</u>	<u>9,392,887</u>

The Company issued 1,821,107 preference shares with a nominal value of £1 each. The total consideration received was £1,821,107.

11. Capital commitments

At 31 December 2023 the Company had capital commitments amounting to £1,240,490 for the development contributions for a new site.

THE LEARNING EXPERIENCE SYSTEMS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. Commitments under operating leases

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

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Not later than 1 year	383,292	351,273	45,792	13,773
Later than 1 year and not later than 5 years	1,350,000	1,350,000	-	-
Later than 5 years	1,966,875	2,304,375	-	-
	<u>3,700,167</u>	<u>4,005,648</u>	<u>45,792</u>	<u>13,773</u>

13. Parent company

The parent of the smallest group for which consolidated financial statements are drawn up is The Learning Experience Corp. The registered office is 210 Hillsboro Technology Drive, Deerfield Beach, FL 33441.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2023 was unqualified.

The audit report was signed on 4 April 2024 by Sarah Hallam FCCA (Senior statutory auditor) on behalf of Menzies LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.