

Registered number  
06368318

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Report and Financial Statements**

**31 August 2020**



**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Strategic report	3 to 6
Independent auditor's report	7 to 8
Income statement	9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 to 20

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Company Information**

**Directors**

Dr Ravi Kumar  
Dr Sarita Parhi

**Secretary**

Dr Sarita Parhi

**Auditors**

Lall Ondhia Ltd  
Chartered Certified Accountants  
Charter House  
8-10 Station Road  
LONDON  
E12 5BT

**Bankers**

HSBC Plc  
118 High Street North  
East Ham  
London  
E6 2HX

**Registered office**

Charter House  
8-10 Station Road  
London  
England  
E12 5BT

**Registered number**

06368318

## **LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

Registered number: 06368318

### **Directors' Report**

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

#### **Principal activities**

The College continued to provide Higher Education in Teacher Training, Health and Social Care and Business Management courses accredited by Pearson and University of Chichester.

The College also works with the Department for Education (DfE) for courses designated for government funding administered through the Student Loans Company (SLC).

#### **Dividends**

The directors have recommended the payment of dividends of £64,000 during the year.

#### **Directors**

The following persons served as directors during the year:

Dr Ravi Kumar

Dr Sarita Parhi

#### **Strategic Report**

The company has chosen in accordance with Companies Act 2006, s.441C(11) to set out in the company's strategic report information required by Schedule 7 of the Large and Medium Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments, research and development and financial instruments.

#### **Directors' responsibilities**

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

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

#### **Auditors**

The auditors, Lall Ondhia Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board



Dr Sarita Parhi  
Director

25 February 2021

## **LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Registered number:**

06368318

### **Strategic Report**

The directors present their strategic report of the company for the year ended 31 August 2020.

#### **Review of business**

This is a summary of the 2019-20 academic year Annual Report for London School of Management Education (LSME), highlighting some of the past year's key achievements. This academic year represents the third year of our current 3-year Strategic Plan (2017-2020) with the key thrust areas of; quality delivery, students' engagement, students' success, retention and progression, widening access and participation for the underprivileged in the society, and innovation, Responsible Research and Innovations (RRI), institutional growth and expanding academic portfolio and improving international outlook.

Despite our best efforts to overcome the negative implications of the dreaded Covid-19 Pandemic, it did hamper the institute's trajectory of evolution during the year. The new site was developed, extra capacity and high-tech infrastructure had to be closed with no utility. The planned launch of programmes for international students had to be indefinitely postponed, until such times that international students build their confidence to travel and get assurance of a normal student life in the UK. Our Access and Participation projects were affected to some extent due to the inability to engage with external partners and conduct outreach activities.

We have successfully added MSc Business Management, Master of Education (MEd) and MBA programmes to our portfolio during this period. Our Admissions Team gave their best in providing IAG and facilitating assessments to prospective students, by quickly creating online assessment system.

We take great pride that despite the negative implications of the Covid-19 Pandemic, our students' attendance and overall attainment improved, this is a sure sign of our students' commitment, the adoption of most suitable technology, innovative approaches, enormous student support mechanisms, and our ability to offer quality teaching and learning environment amidst global pandemic.

Though it has been an unusual year, we have been successful in taking our annual Research Conference to newer heights by going online and expanding the numbers beyond 400 participants. Due to the lockdowns around the world, we offered registration free for all participants and as a result, we received overwhelming initial registration of over 6000 participants. The experience of LSME 7th International Conference on RRI has paved the way for future conferences with wider participation through online avenues.

LSME's hybrid Convocation Ceremony brought lot of smiles on the faces of our graduating students who had assumed that their dreams of graduating in their gowns has been lost of forever. Students were extremely happy with the effort and innovation their College put in making their graduation an exciting and memorable event.

Finding a new path forward, evolve, and progress has been LSME's motto, and hence we keep moving only forward. It has been a year to reflect upon, constantly make changes, adapt and march ahead. In this journey, we always kept the interest of our students and the morale of our staff high and ensured financial stability of the institute.

We have become more robust with the experience of Covid-19 Pandemic and looking forward to AY 2020-21 as another year of success.

#### **Statement of corporate governance**

##### **Board of governance and academic board**

Since its inception, LSME has been maintaining a sound reputation of academic excellence, quality, professional standards and good management practices. This is maintained through a robust system of governance of its academic and management operations through the Board of Directors, Senior Management Committee and Academic Board supported by various other committees.

The Board of Directors (BoD) is the governing body of LSME and has the overall responsibility for the strategic planning and direction of all operations and management of the institute. It delegates management responsibilities to the Senior Management Committee and the Academic Board which are supported by various committees. The Board is made up of Executive Directors, Non-executive Directors as External Advisors and Senior members of Staff. The Board members fulfil their roles in accordance with the constitutional document of LSME, its Student Charter and are subject to regulations for the operation of higher educational institutions as determined by the government and other regulators.

## **LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Registered number:**

06368318

### **Strategic Report**

The BoD is also responsible for the statutory compliances of the college to ensure that it meets the laws and regulations of a company limited by shares, the regulations of its regulator and awarding bodies and the expectations of students, staff and shareholders.

The governance arrangement of the college aims to meet the expectations of the UK higher education sector, in the core values and primary elements of governance as set out in the Higher Education Code of Governance, published by Committee of Universities Chairs (CUC).

The BoD has a Principal for academic leadership and has also established Audit Committee and Academic Board for broad assurances of the governance and academic activities.

Audit Committee monitors and advises the BoD on the adequacy and effectiveness of arrangements for corporate governance, risk management and oversees any statutory and other regulatory responsibilities.

The BoD also has taken the responsibility of ensuring regularity and propriety in the use of public funding. The use of such public funding is decided in the board meetings and recorded by way of minutes.

#### **Statement of internal control**

The Executive Director, the BoD and the Audit Committee ensures that LSME has appropriate risk management framework in place to monitor and manage various risks affecting the sustainability of operations and have commenced the Risk Register and being discussed the risks in the board or committee meetings.

The daily internal controls are exercised by the Executive Director on behalf of the BoD. The major decisions are taken by the BoD and implemented by the Executive Director.

Periodic review of internal control procedures is undertaken by Audit Committee, significant and material observations are discussed by the BoD and recommendations are implemented by the Executive Director.

Internal control arrangements ensure that public funds are spent consistently and in strict accordance with the purposes for which those funds were given.

#### **Internal Control and Risk Management**

The system of internal controls and risk management is structured to flow through the governance mechanism. The efficiency, effectiveness and standardization of the academic and administrative operations are handled by the Academic Committee and the Senior Management Committee respectively.

The Academic Board has put in place a stringent reporting mechanism in place to ensure accountability of various academic departments and admissions through regular meetings and recording whereas all administrative matters are under the control of the Senior Management Committee which meets periodically. All matters of internal controls are reported to the Board of Directors and the recommendations are fed back into the system through the Academic Board and the Senior Management Committee.

LSME has history of robust financial management and controls, management through its Senior Management Committee and with regular reporting back and approvals through the Board of Directors. The major focus of financial strategy of LSME is financial prudence and sustainability.

The Internal Quality Audit Committee ensures that all academic, admissions and administrative processes follow the quality standards and meets the targets. The Financial Control Committee looks into the processes of budgeting, resource allocations, accountability and expenditure.

Internal Quality and Audits Committee has a broad range of activities involving governance, risk management and management controls over the efficiency and effectiveness of operations (including the safeguarding of assets), the reliability of financial and management reporting, and compliance with laws and regulations. It also reviews the extent to which academic and non-academic action plans are implemented and monitored. The committee comprises of an internal quality assurance manager, external independent financial adviser and a senior member of staff.

Health and safety team oversees the safety and security of the premises. This committee reports to the Senior Management Committee giving an opinion on the adequacy of the arrangements for internal control, risk management, governance, value for money and the management and quality assurance of data.

## **LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Registered number:**

06368318

### **Strategic Report**

In addition, the policies, mechanisms and processes put in place to ensure robust internal controls and risk management are as below:

Work carried out annually by the Internal Quality and Audit Committee include:

- a) Keeping under review, the effectiveness control and governance arrangements, including for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), OfS and other funding bodies. Based on the committee's advice we are currently developing a data management strategy for all college activities including that of the Access and Participation team.
- b) Reviewing the risk register, including the senior management's assessment of risk and to ensure that the controls and plans to mitigate risks are appropriate. The committee provided guidance during 2019/2020 academic year for the review of the Student's Protection Plan, Business Continuity Plan and the development of a COVID-19 Outbreak Response Plan for the institution. It also suggested the need to develop a COVID-19 Contingency Strategy for the institution.
- c) The team advised the Senior Management Committee on the risk register and monitored the implementation of agreed audit-based recommendations.
- d) The team also considered quality systems within the academic provision and ensured that misconducts are properly investigated and appropriate actions are taken to mitigate such risks.
- e) Other roles of this committee is recommending the College's Financial Statements to the Board of Directors for approval including and assuring the Board that the Financial Statements are in accordance with OfS's accounts directives and that the accounting policies and judgments are appropriate.

### **Principal risks and uncertainties**

Difficulties in securing high level employment for leavers of HE: The current goal is to ensure that over 70% of our HE graduates obtain suitable employment. The impact of COVID-19 on employment may affect our success with this strategy.

International student recruitment from EU countries may see a significant reduction post-Brexit.

The impact of COVID-19 on the HE sector in general and LSME in particular, has led to a temporary suspension of international student recruitment and the commencing of our Masters' Programmes.

With the current UKVI regulations, non-EU international students may not have the rights to undertake part-time work for various reasons. This legislation may deter some international students from studying in the UK.

### **Future developments**

The directors consider the future developments affecting the company to be covered within the "Review of Business" section of this strategic report.

### **Research and development**

During the 2019-20 academic year, LSME continued to pay more attention to elements of Responsible Research and Innovations (RRI), such as public engagement, open access, gender, ethics and governance.

The Sixth International Research Conference on 'Responsible Research and Innovations in Management and Human Sciences' was held in London in August 2019 at the Leonardo Royal Hotel London City. The latest International Conference was held virtually in August 2020.

LSME has forged additional credible international research partnerships with two overseas academic institutions. MoUs have been signed with firm plans to support each other in promoting their research agendas, train young researchers, conduct joint research and carry out student and teacher exchange programmes.

Several research publications have been published following the Research Conferences conducted by LSME. For example, the research proceedings booklets and research books were published on an open-access basis and are readily available to researchers and educators on LSME's website as an effort to expand the body of knowledge in the relevant fields.

## LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED

Registered number:

06368318

### Strategic Report

#### Senior staff pay

The Office for Students (OfS) requires providers to have regards to the "Higher Education Senior Staff Remuneration Code" published by the CUC. For the year ended 31 August 2020, the BoD can confirm that there were no member of staff who were paid over a full-time equivalent salary of £100,000 per annum.

#### Going concern

The directors have given this matter careful consideration and are satisfied that the company has adequate resources to continue in operations for the foreseeable future. For this reason, going concern basis to be adopted in the preparation of financial statements.

#### Financial instrument risk

The company has normal level exposure to price, credit, liquidity and cash flow risks arising from trading activities which are mostly conducted in sterling.

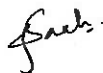
#### Key performance indicators

The key performance indicators for the company are a combination of number of students, offering wide choice of under-graduate and post-graduate study streams and the revenue generation.

During the year of review, the number of students increased from 288 in 2018/19 to 457 in 2019/20 which is an increase 59% and the revenue increased from £1,694,246 in 2018/19 to £3,279,663 in 2019/20, an increase of 94%. The operating profit increased from £329,519 in 2018/19 to £1,214,048 in 2019/20 which is an increase of 269%.

Capital and reserve as at 31 August 2020 was £2,725,811 compared to £1,810,755 as at 31 August 2019, which is a significant improvement in the company's financial position.

On behalf of the board



Dr Sarita Parhi

Director

25 February 2021



**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Independent auditor's report**  
**to the members of LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Opinion**

We have audited the financial statements of LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED for the year ended 31 August 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in compliance with the requirements of the OfS' Regulatory advice 9: Accounts direction.

**Basis of 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Independent auditor's report**  
**to the members of LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

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

In our opinion, based on the work undertaken in the course of the 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

**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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Mr Harjinder Singh, FCCA  
(Senior Statutory Auditor)  
for and on behalf of  
Lall Ondhia Ltd  
Accountants and Statutory Auditors  
25 February 2021

Charter House  
8-10 Station Road  
LONDON  
E12 5BT

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Income Statement**  
**for the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	2	3,279,663	1,694,246
Cost of sales		(429,985)	(153,362)
<b>Gross profit</b>		<u>2,849,678</u>	<u>1,540,884</u>
Administrative expenses		(1,647,503)	(1,148,365)
Other operating income		11,873	-
<b>Operating profit</b>	3	<u>1,214,048</u>	<u>392,519</u>
Interest receivable		539	10
<b>Profit on ordinary activities before taxation</b>		<u>1,214,587</u>	<u>392,529</u>
Tax on profit on ordinary activities	8	(235,531)	(75,051)
<b>Profit for the financial year</b>		<u>979,056</u>	<u>317,478</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of comprehensive income**  
**for the year ended 31 August 2020**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>		979,056	317,478
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<u>979,056</u>	<u>317,478</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Financial Position**  
**as at 31 August 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	345,554	297,300
<b>Current assets</b>			
Debtors	10	1,878,668	1,873,678
Cash at bank and in hand		1,291,128	101,940
		<u>3,169,796</u>	<u>1,975,618</u>
<b>Creditors: amounts falling due within one year</b>	11	(563,749)	(439,121)
<b>Net current assets</b>		<u>2,606,047</u>	<u>1,536,497</u>
<b>Total assets less current liabilities</b>		<u>2,951,601</u>	<u>1,833,797</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(200,000)	-
<b>Provisions for liabilities</b>			
Deferred taxation	13	(25,790)	(23,042)
<b>Net assets</b>		<u>2,725,811</u>	<u>1,810,755</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	2,725,711	1,810,655
<b>Total equity</b>		<u>2,725,811</u>	<u>1,810,755</u>



Dr Ravi Kumar  
 Director

Approved by the board on 25 February 2021

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31 August 2020**

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
<b>At 1 September 2018</b>	100	-	-	1,493,177	1,493,277
Profit for the financial year				317,478	317,478
<b>At 31 August 2019</b>	<u>100</u>	<u>-</u>	<u>-</u>	<u>1,810,655</u>	<u>1,810,755</u>
<b>At 1 September 2019</b>	100	-	-	1,810,655	1,810,755
Profit for the financial year				979,056	979,056
Dividends				(64,000)	(64,000)
<b>At 31 August 2020</b>	<u>100</u>	<u>-</u>	<u>-</u>	<u>2,725,711</u>	<u>2,725,811</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Cash Flows**  
**for the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Operating activities</b>			
Profit for the financial year		979,056	317,478
Adjustments for:			
Interest receivable		(539)	(10)
Tax on profit on ordinary activities		235,531	75,051
Depreciation		69,907	40,425
Increase in debtors		(4,990)	(254,424)
(Decrease)/increase in creditors		(34,920)	87,860
		<u>1,244,045</u>	<u>266,380</u>
Interest received		539	10
Corporation tax paid		(73,235)	(60,980)
		<u>1,171,349</u>	<u>205,410</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(118,161)	(194,955)
		<u>(118,161)</u>	<u>(194,955)</u>
<b>Financing activities</b>			
Equity dividends paid		(64,000)	-
Repayment of loans		200,000	-
		<u>136,000</u>	<u>-</u>
<b>Net cash generated</b>			
Cash generated by operating activities		1,171,349	205,410
Cash used in investing activities		(118,161)	(194,955)
Cash generated by financing activities		136,000	-
		<u>1,189,188</u>	<u>10,455</u>
Cash and cash equivalents at 1 September		101,940	91,485
Cash and cash equivalents at 31 August		<u>1,291,128</u>	<u>101,940</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>1,291,128</u>	<u>101,940</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Going concern***

Though the company's operations were impacted by Covid 19, the company has been able to restore and maintain its services with limited disruption.

During the year there are higher number of enrolments in the courses offered by the company and there is a reasonable expectation that the company has resources to continue in operational existence for the foreseeable future. In light of these information, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	25% reducing balance method
Motor vehicles	25% reducing balance method
Improvements to Land and buildings	10% straight line method

From current year directors decided to charge depreciation on improvements to land and building at 10% on straight line method.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.



**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED****Notes to the Accounts**

for the year ended 31 August 2020

**Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

**Provisions**

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

**Leased assets**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**Pensions**

Contributions to defined contribution plans are expensed in the period to which they relate.

<b>2</b>	<b>Details of grant and fee income</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Grant income from OfS	198,933	31,843
	Fee income from taught awards	3,080,730	1,662,403
		<u>3,279,663</u>	<u>1,694,246</u>
	By geographical market:		
	UK	<u>3,279,663</u>	<u>1,694,246</u>
<b>3</b>	<b>Operating profit</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	This is stated after charging:		
	Depreciation of owned fixed assets	69,907	40,425
	Operating lease rentals - land and buildings	150,000	120,000
	Auditors' remuneration for audit services	<u>8,000</u>	<u>5,100</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

<b>4 Directors' remuneration</b>	<b>2020</b>	<b>2019</b>
	£	£
Remuneration	100,000	100,000
Company contributions to defined contribution pension plans	71,626	2,628
	<u>171,626</u>	<u>102,628</u>
Highest paid director:		
Emoluments	50,000	50,000
Company contributions to defined contribution pension plans	35,813	1,314
	<u>85,813</u>	<u>51,314</u>

<b>Number of directors to whom retirement benefits accrued:</b>	<b>2020</b>	<b>2019</b>
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

<b>5 Staff costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	672,778	577,690
Social security costs	61,916	53,266
Other pension costs	83,904	10,063
	<u>818,598</u>	<u>641,019</u>

No member of staff is paid over a full-time equivalent basic salary of £100,000 per annum.

Two directors to whom retirement benefits are accruing are the Key Management Personnels and highest paid director is also the head of provider.

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Academic	14	11
Non-academic	10	7
	<u>24</u>	<u>18</u>

<b>6 Remuneration for the head of provider</b>	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	50,000	50,000
Pension contribution	35,813	1,314
Dividends	48,000	-
	<u>133,813</u>	<u>51,314</u>

The head of the provider is responsible for daily operation of the management and the academic leadership and the remuneration package is below commercial rate therefore a prudent approach adopted in this regard by the management.

The head of the provider's basic salary is 2 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

The head of the provider's total remuneration is 5.3 times the median total remunerations of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The provider has not paid any compensation for loss of office to any staff member during the year.

**7 Access participation plan**

The provider has an access and participation plan that has been approved by the OfS' director of fair access and

Below is the breakdown of the expenditure during the year by type:

	2020 £	2019 £
Access investments	241,822	-
Financial support provided to students	21,650	-
Support for disabled students	745	-
Research and evaluation	11,150	-
	<u>275,367</u>	<u>-</u>

Access and participation plan expenditures include staff costs of £163,225 and these costs are already included in the overall staff costs figure included in the financial statements as disclosed in Note 5.

8 Taxation	2020 £	2019 £
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	232,783	73,236
Deferred tax:		
Origination and reversal of timing differences	2,748	1,815
	<u>235,531</u>	<u>75,051</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,214,587</u>	<u>392,529</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	230,772	74,581
Effects of:		
Expenses not deductible for tax purposes	165	470
Capital allowances for period in excess of depreciation	1,846	(1,815)
Current tax charge for period	<u>232,783</u>	<u>73,236</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

**9 Tangible fixed assets**

	Improvements to land and buildings <i>At cost</i> £	Plant and machinery <i>At cost</i> £	Fixtures, fittings, tools and equipment <i>At cost</i> £	Total  £
<b>Cost or valuation</b>				
At 1 September 2019	176,027	276,794	-	452,821
Additions	50,355	59,706	8,100	118,161
At 31 August 2020	<u>226,382</u>	<u>336,500</u>	<u>8,100</u>	<u>570,982</u>
<b>Depreciation</b>				
At 1 September 2019	-	155,521	-	155,521
Charge for the year	22,638	45,244	2,025	69,907
At 31 August 2020	<u>22,638</u>	<u>200,765</u>	<u>2,025</u>	<u>225,428</u>
<b>Carrying amount</b>				
At 31 August 2020	<u>203,744</u>	<u>135,735</u>	<u>6,075</u>	<u>345,554</u>
At 31 August 2019	<u>176,027</u>	<u>121,273</u>	<u>-</u>	<u>297,300</u>

<b>10 Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Other debtors	<u>1,878,668</u>	<u>1,873,678</u>

Included within other debtors above are due from a related party of £1,875,468 (2019: £1,870,478). See Note 19.

<b>11 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade creditors	111,700	33,663
Corporation tax	232,783	73,235
Other taxes and social security costs	32,381	33,249
Other creditors	157,235	161,834
Accruals and deferred income	29,650	137,140
	<u>563,749</u>	<u>439,121</u>

<b>12 Creditors: amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Bank loans	<u>200,000</u>	<u>-</u>

The bank loan outstanding at the reporting date is Coronavirus Business Interruption Loan (CBIL), is due after more than one year and secured by way of a fixed and floating charge over all assets of the company.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

<b>13 Deferred taxation</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>25,790</u>	<u>23,042</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 September	23,042	21,227
Charged to the profit and loss account	2,748	1,815
At 31 August	<u>25,790</u>	<u>23,042</u>

**14 Pension scheme**

The company operates a defined contribution scheme. During the year the company contributed £83,904 (2019: £10,063). The assets of the scheme are held separately from those of the company in an independently administered fund. At the reporting date, unpaid contributions of £2,944 (2019: £3,109) were due to the fund. They are included in other creditors.

<b>15 Share capital</b>	<b>Nominal value</b>	<b>2020 Number</b>	<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
<b>16 Profit and loss account</b>			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
At 1 September			1,810,655	1,493,177
Profit for the financial year			979,056	317,478
Dividends			(64,000)	-
At 31 August			<u>2,725,711</u>	<u>1,810,655</u>
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
<b>17 Dividends</b>			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
Dividends on ordinary shares (note 16)			<u>64,000</u>	<u>-</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

**18 Other financial commitments**

Total future minimum lease payments under non-cancellable operating leases:

	<b>Land and buildings 2020 £</b>	<b>Land and buildings 2019 £</b>
Falling due:		
within one year	150,000	120,000
within two to five years	600,000	480,000
in over five years	250,000	320,000
	<u>1,000,000</u>	<u>920,000</u>

**19 Related party transactions**

Included in other debtors is an amount of £1,875,468 (2019: £1,870,478) receivable from Orbit Properties London Ltd which is connected by virtue of common shareholding and directors in that company.

During the year the company paid rent of £150,000 (2019: £120,000) to Orbit Properties London Ltd which is connected by virtue of common shareholding and directors in that company.

The company has also provided guarantee to HSBC Bank against loan taken by Orbit Properties London Ltd by way of a fixed and floating charge over all assets of the company.

**20 Controlling party**

The directors of the company control the company by virtue of a controlling interest of the issued share capital.

**21 Presentation currency**

The financial statements are presented in Sterling.

**22 Legal form of entity and country of incorporation**

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED is a private company limited by shares and incorporated in England.

**23 Principal place of business**

The address of the company's principal place of business is:

Cambrian House  
509-511 Cranbrook Road  
Ilford  
IG2 6EY