

Registered number  
06368318

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED

Report and Financial Statements

31 August 2021



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

Cambrian House  
509-511 Cranbrook Road  
Gants Hill, Essex  
England  
IG2 6EY

**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 2021.

#### **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 £75,000 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

10 February 2022

## **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 2021.

#### **Review of business**

The Academic Year 2020-21 has been a truly hybrid one - the Covid-19 Pandemic not letting go of its clutches on the society, yet some signs of normalcy is emerging from every sphere and life seems returning to normalcy. LSME continued with hybrid teaching and learning throughout the year with a good number of students returning to on-site sessions. Nevertheless, many were affected by the Pandemic in one way or the other, either due to becoming positive, or family members becoming positive, self-isolation, travel restrictions, work place related issues etc.

This year's Annual Report for London School of Management Education (LSME), highlights some of the key achievements and challenges we faced during this year. We have taken time to review our policies and the Strategic Plan, in light of the changes and transformations taking place in the community.

We continued our focus on quality delivery, students' engagement, success, retention, progression, and access and participation for the underprivileged in the society. The institutional growth, expanding academic portfolio, strengthening international engagements and improving international outlook have been at the forefront as well.

The Covid-19 Pandemic continued to disrupt some of our plans and dashed our hopes of returning to operations in full swing. Though we could not start our international programmes, our student numbers were maintained at a level of growth consistent with the prevailing situation through local students recruitment. We are making efforts to expand our portfolio of programmes and sustaining our efforts in operationalising them in the near future. The challenges faced by our partner organisations played down our expectation of exceeding the targets of the Access and Participation outreach projects. However, we are making reasonable progress in most of the areas of the access and participation targets.

We have tremendously improved our capacity to deliver online programmes and hence, we are taking our MSc Business Management and the Diploma in Management programmes online.

It is a matter of great pride that our students continued to do well despite the negative implications of the Covid-19 Pandemic. The overall attendance and attainment of the students improved, this is a testimony to the efforts of our students' commitment, LSME's approach to creating a hybrid teaching and learning environment conducive to both students and the lecturers.

The LSME 8th International Research Conference on 'Sustainable Development and Education' was one of the highlights of the year, as it brought researchers together from around the world. Due to the Covid-19 related travel restrictions, it was once again held online. However, majority of the participants felt that next Conference should be a hybrid one, which enables some of the enthusiastic participants to attend the Conference in person. It is very encouraging to see that our efforts in creating an international research community and our endeavours to promote UN PRME is converging. Education and Sustainable Development are two faces of the same coin.

While we celebrate the successes of the year, it is noteworthy that LSME Convocation 2021, which was planned in a grand manner on the wishes of the graduating students had to be postponed at a very late stage due to the emergence of the new variant of Covid-19. Nevertheless, we will make every effort to deliver on the wishes of our students.

Through our passion for education combined with the dedication and hardwork of the LSME Team and the support of the partner agencies, we have overcome many challenges and crossed numerous hurdles this year. We see the path clearing in front of us and plan for greater achievements and many more milestones to achieve in the coming years.

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

**Registered number:**

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### **Strategic Report**

#### **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.

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.

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

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### **Strategic Report**

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.

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.

## LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED

Registered number:

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### Strategic Report

#### Research and development

During the 2020-21 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 2020 at the Leonardo Royal Hotel London City. The latest International Conference was held virtually in August 2021.

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.

#### 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 2021, 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 457 in 2019/20 to 661 in 2020/21 which is an increase 45% and the revenue increased from £3,279,663 in 2019/20 to £4,240,430 in 2020/21, an increase of 29%. The operating profit increased from £1,241,048 in 2019/20 to £1,346,939 in 2020/21 which is an increase of 9%.

Capital and reserve as at 31 August 2021 was £3,736,990 compared to £2,725,811 as at 31 August 2020, which is a significant improvement in the company's financial position.

On behalf of the board



Dr Sarita Parhi

Director

10 February 2022



**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 2021 which comprise the Income Statement, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 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.

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:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax legislations, Money Laundering legislation, and Data Protection legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

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

**Use of our report**

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



Mr Harsh Oshia, FCCA  
(Senior Statutory Auditor)  
for and on behalf of  
Lall Oshia Ltd  
Accountants and Statutory Auditors  
10 February 2022

Charter House  
8-10 Station Road  
LONDON  
E12 5BT

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Income Statement**  
**for the year ended 31 August 2021**

	Notes	2021 £	2020 £
<b>Turnover</b>	2	4,240,430	3,279,661
Cost of sales		(567,186)	(429,985)
<b>Gross profit</b>		<u>3,673,244</u>	<u>2,849,676</u>
Administrative expenses		(2,333,234)	(1,647,501)
Other operating income		6,929	11,873
<b>Operating profit</b>	3	<u>1,346,939</u>	<u>1,214,048</u>
Interest receivable		146	539
<b>Profit on ordinary activities before taxation</b>		<u>1,347,085</u>	<u>1,214,587</u>
Tax on profit on ordinary activities	8	(260,906)	(235,531)
<b>Profit for the financial year</b>		<u>1,086,179</u>	<u>979,056</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Financial Position**  
**as at 31 August 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	432,512	345,554
<b>Current assets</b>			
Debtors	10	2,774,211	1,878,668
Cash at bank and in hand		1,383,698	1,291,128
		<u>4,157,909</u>	<u>3,169,796</u>
<b>Creditors: amounts falling due within one year</b>	11	(725,078)	(563,749)
<b>Net current assets</b>		<u>3,432,831</u>	<u>2,606,047</u>
<b>Total assets less current liabilities</b>		<u>3,865,343</u>	<u>2,951,601</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(100,000)	(200,000)
<b>Provisions for liabilities</b>			
Deferred taxation	13	(28,353)	(25,790)
<b>Net assets</b>		<u>3,736,990</u>	<u>2,725,811</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	3,736,890	2,725,711
<b>Total equity</b>		<u>3,736,990</u>	<u>2,725,811</u>



Dr Ravi Kumar  
 Director

Approved by the board on 10 February 2022

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31 August 2021**

	Share capital	Profit and loss account	Total
	£	£	£
<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>2,725,711</u>	<u>2,725,811</u>
<b>At 1 September 2020</b>	100	2,725,711	2,725,811
Profit for the financial year		1,086,179	1,086,179
Dividends		(75,000)	(75,000)
<b>At 31 August 2021</b>	<u>100</u>	<u>3,736,890</u>	<u>3,736,990</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Statement of Cash Flows**  
**for the year ended 31 August 2021**

	Notes	2021 £	2020 £
<b>Operating activities</b>			
Profit for the financial year		1,086,179	979,056
Adjustments for:			
Interest receivable		(146)	(539)
Tax on profit on ordinary activities		260,906	235,531
Depreciation		86,640	69,907
Increase in debtors		(895,543)	(4,990)
Increase/(decrease) in creditors		35,770	(34,920)
		<u>573,806</u>	<u>1,244,045</u>
Interest received		146	539
Corporation tax paid		(232,784)	(73,235)
		<u>341,168</u>	<u>1,171,349</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(173,598)	(118,161)
		<u>(173,598)</u>	<u>(118,161)</u>
<b>Financing activities</b>			
Equity dividends paid		(75,000)	(64,000)
Receipt of loans		-	200,000
		<u>(75,000)</u>	<u>136,000</u>
<b>Net cash generated</b>			
Cash generated by operating activities		341,168	1,171,349
Cash used in investing activities		(173,598)	(118,161)
Cash (used in)/generated by financing activities		(75,000)	136,000
		<u>92,570</u>	<u>1,189,188</u>
Cash and cash equivalents at 1 September		<u>1,291,128</u>	<u>101,940</u>
Cash and cash equivalents at 31 August		<u>1,383,698</u>	<u>1,291,128</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>1,383,698</u>	<u>1,291,128</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Notes to the Accounts**

**for the year ended 31 August 2021**

**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

***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.

***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.



**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**

**Notes to the Accounts**

**for the year ended 31 August 2021**

***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>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Grant income from OfS	279,316	198,935
	Fee income from taught awards	3,961,114	3,080,726
		<u>4,240,430</u>	<u>3,279,661</u>
	By geographical market:		
	UK	<u>4,240,430</u>	<u>3,279,661</u>
<b>3</b>	<b>Operating profit</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	This is stated after charging:		
	Depreciation of owned fixed assets	86,640	69,907
	Operating lease rentals - land and buildings	310,000	150,000
	Auditors' remuneration for audit services	9,500	8,000
	Carrying amount of stock sold	540,832	-
		<u>540,832</u>	<u>-</u>
<b>4</b>	<b>Directors' remuneration</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Remuneration	135,000	100,000
	Company contributions to defined contribution pension plans	234,762	71,626
		<u>369,762</u>	<u>171,626</u>
	Highest paid director:		
	Emoluments	75,000	50,000
	Company contributions to defined contribution pension plans	117,381	35,813
		<u>192,381</u>	<u>85,813</u>
	<b>Number of directors to whom retirement benefits accrued:</b>	<b>2021</b>	<b>2020</b>
		<b>Number</b>	<b>Number</b>
	Defined contribution plans	<u>2</u>	<u>2</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
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**for the year ended 31 August 2021**

<b>5 Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	769,593	672,778
Social security costs	72,114	61,916
Other pension costs	246,958	83,904
	<u>1,088,665</u>	<u>818,598</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	16	14
Non-academic	10	10
	<u>26</u>	<u>24</u>

<b>6 Remuneration for the head of provider</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	75,000	50,000
Pension contribution	117,381	35,813
Dividends	56,250	48,000
	<u>248,631</u>	<u>133,813</u>

The head of the provider is responsible for daily operation of the management and the academic leadership.

The head of the provider's basic salary is 2.7 times and total remunerations represent 8.9 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Access investments	251,013	241,822
Financial support provided to students	195,050	21,650
Support for disabled students	6,800	745
Research and evaluation	10,784	11,150
	<u>463,647</u>	<u>275,367</u>

Access and participation plan expenditures include staff costs of £162,630 and these costs are already included in the overall staff costs figure included in the financial statements as disclosed in Note 5.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
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<b>8 Taxation</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	258,343	232,783
Deferred tax:		
Origination and reversal of timing differences	2,563	2,748
Tax on profit on ordinary activities	<u>260,906</u>	<u>235,531</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:

	<b>2021</b>	<b>2020</b>
	£	£
Profit on ordinary activities before tax	<u>1,347,085</u>	<u>1,214,587</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	255,946	230,772
Effects of:		
Expenses not deductible for tax purposes	(11,863)	(9,425)
Capital allowances for period in excess of depreciation	14,260	11,436
Current tax charge for period	<u>258,343</u>	<u>232,783</u>

<b>9 Tangible fixed assets</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
<b>Cost or valuation</b>				
At 1 September 2020	226,382	336,500	8,100	570,982
Additions	99,000	74,598	-	173,598
At 31 August 2021	<u>325,382</u>	<u>411,098</u>	<u>8,100</u>	<u>744,580</u>
 <b>Depreciation</b>				
At 1 September 2020	22,638	200,765	2,025	225,428
Charge for the year	32,538	52,583	1,519	86,640
At 31 August 2021	<u>55,176</u>	<u>253,348</u>	<u>3,544</u>	<u>312,068</u>
 <b>Carrying amount</b>				
At 31 August 2021	<u>270,206</u>	<u>157,750</u>	<u>4,556</u>	<u>432,512</u>
At 31 August 2020	<u>203,744</u>	<u>135,735</u>	<u>6,075</u>	<u>345,554</u>

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
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<b>10 Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Other debtors	<u>2,774,211</u>	<u>1,878,668</u>

Included within other debtors above are due from a related party of £2,767,111 (2020: £1,878,668). See Note 19.

<b>11 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	£	£
Bank loans	100,000	-
Trade creditors	23,989	111,700
Corporation tax	258,342	232,783
Other taxes and social security costs	39,068	32,381
Other creditors	196,429	157,235
Accruals and deferred income	107,250	29,650
	<u>725,078</u>	<u>563,749</u>

<b>12 Creditors: amounts falling due after one year</b>	<b>2021</b>	<b>2020</b>
	£	£
Bank loans	<u>100,000</u>	<u>200,000</u>

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

<b>13 Deferred taxation</b>	<b>2021</b>	<b>2020</b>
	£	£
Accelerated capital allowances	<u>28,353</u>	<u>25,790</u>

	<b>2021</b>	<b>2020</b>
	£	£
At 1 September	25,790	23,042
Charged to the profit and loss account	2,563	2,748
At 31 August	<u>28,353</u>	<u>25,790</u>

**14 Pension scheme**

The company operates a defined contribution scheme. During the year the company contributed £246,958 (2020: £83,904). 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 £3,025 (2020: £2,944) were due to the fund. They are included in other creditors.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
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<b>15 Share capital</b>	<b>Nominal value</b>	<b>2021 Number</b>	<b>2021 £</b>	<b>2020 £</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>

<b>16 Profit and loss account</b>	<b>2021 £</b>	<b>2020 £</b>
At 1 September	2,725,711	1,810,655
Profit for the financial year	1,086,179	979,056
Dividends	(75,000)	(64,000)
At 31 August	<u>3,736,890</u>	<u>2,725,711</u>

<b>17 Dividends</b>	<b>2021 £</b>	<b>2020 £</b>
Dividends on ordinary shares (note 16)	<u>75,000</u>	<u>64,000</u>

**18 Other financial commitments**

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

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Falling due:		
within one year	310,000	150,000
within two to five years	1,240,000	600,000
in over five years	206,667	250,000
	<u>1,756,667</u>	<u>1,000,000</u>

Rental charges were increased during the year to reflect additional facilities and accommodations secured from the landlords.

**19 Related party transactions**

Included in other debtors is an amount of £2,767,111 (2020: £1,875,468) 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 £310,000 (2020: £150,000) 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 Government grants**

During the year the company received government grants of £6,929 (2020: £11,875) under Corona Virus Job Retention Scheme.

**LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**21 Government backed loan**

The company had availed an unsecured loan of £200,000 from HSBC Bank supported by the Coronavirus Business Interruption Loan Scheme (CBIL), during the year ended 31 August 2021 the first 12 months interest are covered by UK Government's Business Interruption Payments (BIP). The company will repay the loan in 24 monthly instalments starting from 13th month into the loan agreement.

**22 Controlling party**

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

**23 Presentation currency**

The financial statements are presented in Sterling.

**24 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.

The company's registered number and registered office address can be found on the General Information page.

**25 Principal place of business**

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

Cambrian House  
509-511 Cranbrook Road  
Ilford  
IG2 6EY