Registered number : 06368318

LONDON SCHOOL®
OF MANAGEMENT EDUCATION

Report and Financial Statements

31 August 2022

Lall Ondhia Ltd
Chartered Certified Accountants
Registered Auditor

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 2022.

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 £125,000 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.

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED
Registered number: 06368318
Directors' Report

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;
- 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
03/02/2023

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 2022.

Review of business
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 sector.

The Academic Year saw some return to our normal face to face mode of delivery. LSME continued with hybrid teaching and learning for the first two terms and a full return to onsite sessions in the third term. Many staff and students were affected by the Pandemic in one way or the other. They were either positive or their family members were positive and required self-isolation, travel restrictions, workplace related issues etc. A few of our students moved away because they had to change their jobs. Nevertheless, we managed to retain our retention and completion rates for the academic year. 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.

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.

We introduced the accelerated degrees in Health and Social Care and International Tourism and Hospitality with the hope of attracting international students. However, we could not start these programmes, our student numbers were maintained at a level of growth consistent with the prevailing situation through local student's 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.

The LSME 9th International Research Conference on 'Sustainable Education and the Green Economy' was one of the highlights of the year and the very first hybrid conference organised as per the request of previous conference participants. It brought researchers together from around the world. The majority of participants felt that it is very encouraging to see that our efforts in creating an international research community and our endeavours to promote UN PRME is converging into meaningful discussions and ideas at the operational level.

While we celebrate the successes of the year, it is noteworthy that LSME Convocations for 2021 and 2022 successfully took place in May and November 2022 respectively. Both events were held face to face and were attended by distinguished guests from academia, political and business settings. Once again, we honoured our graduates for their hard work and dedication and affirmed our commitment to supporting the alumni.

We continued to push forward our agenda to join the Register of Apprenticeship Training Organisations. Although you are yet to achieve success in this regard, we managed a successful application to receive training funds from the Adult Education Budget (AEB). This grant opens the avenues free FE courses at Levels 2 and 3 which will hopefully feed our HE programmes at levels 4 to 6 in the coming years.

Through our passion for education combined with the dedication and hard work of the LSME Team and the support of the partner agencies, we have overcome many challenges and crossed numerous hurdles this year.

Statement of corporate governance

For the institution's system of governance to work, the two elements of governance, (Corporate governance and academic governance) need to work in tandem. The Corporate governance of LSME is the responsibility of the governing body and its committees. The academic governance is the responsibility of the Academic Board supported by several committees.

While the governing body is responsible for 'all matter of fundamental concern', it will generally respect the role of Academic Board, and defer to it on matters of academic governance. However, it seeks assurance from the Academic Board that the institution's system of academic governance is effect.

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

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. 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.

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 2021/2022 academic year for the review of the operational risk register for all aspects of our business. The team advised the Senior Management Committee on the risk register and monitored the implementation of agreed audit-based recommendations.

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.

Research and development

During the 2021-22 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 9th International Research Conference on Sustainable Education and the Green Economy was held in a hybrid mode at the LSME Cambrian House campus and online.
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.

The team is currently working towards inaugurating its research centre with key academic partnerships developed over the years. A full detail of this centre will be provided in the next report

Principal risks and uncertainties with mitigating actions.

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. However to mitigate this risk, LSME inaugurated its Employability and Enterprise Hub to support its students with the requisite skills for employability. The Hub provides a physical space and online resources that provides a link to Graduate First (a robust system for all university students in the UK) portal which provides detailed links to employability skills, interviewing skills, psychometric tests, links to job vacancies. We have also signed an MoU with the NatWest bank to engage our students with employability skills requirement of the banking industry. The impact of these initiatives will be discussed in the next report.

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. As a result, LSME introduced its accelerated degrees in health and social care and the international tourism and hospitality industries. These degrees included compulsory work placement component and may be attractive to international students. We are still working together with the UKVI in the development and recruitment of international students on these courses. The impact will be reported in the next academic year

Future developments
The directors consider the future developments affecting the company to be covered within the "Review of Business" section of this strategic report. Additionally, the following areas will be considered.

1. Development of FE programmes in line with the AEB grants will take place in the 2022-23 academic year.
2. LSME will undertake the TEF 2023 submission voluntarily in Jan 2023.
3. Continue ongoing discussions with the UKVI on recruitment of international students on our accelerated programmes.
4. Continue to support our students and alumni with the employability skills development and engage more employers in the 2022-23 Academic Year.

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 2022, 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 661 in 2020/21 to 670 in 2021/22 which is an increase 1.36% and the revenue increased from £4,240,430 in 2020/21 to £4,591,766 in 2021/22, an increase of 8%. The operating profit increased from £1,346,939 in 2020/21 to £1,047,065 in 2021/22 which is an decrease of 22%.

Capital and reserve as at 31 August 2022 was £4,452,170 compared to £3,736,990 as at 31 August 2021, which is a significant improvement in the company's financial position.

On behalf of the board

Dr Sarita Parhi
Director
03/02/2023

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 2022 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 2022 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 authorized 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 analyzed 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 authorized 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.

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.

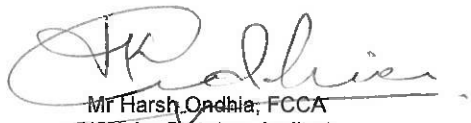
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting 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. This description forms part of our auditor's report.

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 Ondhia, FCCA
(Senior Statutory Auditor)
for and on behalf of
Lall Ondhia Ltd
Accountants and Statutory Auditors
03/02/2023

Charter House
8-10 Station Road
LONDON
E12 5BT

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED
Income Statement
for the year ended 31 August 2022

	Notes	2022 £	2021 £
Turnover	2	4,591,766	4,240,430
Cost of sales		(701,749)	(567,186)
Gross Profit		3,890,017	3,673,244
Administrative expenses		(2,843,999)	(2,333,234)
Other operating income		1,047	6,929
Operating Profit	3	1,047,065	1,346,939
Profit on sale of fixed asset		3,826	-
Interest receivable		939	146
Interest payable		(6,111)	-
Profit on ordinary activities before taxation		1,045,719	1,347,085
Tax on profit on ordinary activities	9	(205,439)	(260,906)
Profit for the financial year		840,280	1,086,179

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED
Statement of Financial Position
as at 31 August 2022

	Notes		2022 £		2021 £
Fixed assets					
Tangible assets	10		400,770		432,512
Current assets					
Debtors	11	3,189,722		2,774,211	
Cash at bank and in hand		1,559,435		1,383,698	
		4,749,157		4,157,909	
Creditors: amounts falling due within one year	12	(667,783)		(725,078)	
Net current assets			4,081,374		3,432,831
Total assets less current liabilities			4,482,144		3,865,343
Creditors: amounts falling due after more than one year	13		-		(100,000)
Provisions for liabilities					
Deferred taxation	14		(29,874)		(28,353)
Net assets			4,452,270		3,736,990
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account	17		4,452,170		3,736,890
Total equity			4,452,270		3,736,990

Dr Ravi Kumar
Director
Approved by the board on 03/02/2023

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED
Statement of Changes in Equity
for the year ended 31 August 2022

	Share capital	Profit and loss account	Total
	£	£	£
At 1 September 2020	100	2,725,711	2,725,811
Profit for the financial year		1,086,179	1,086,179
Dividends		(75,000)	(75,000)
At 31 August 2021	100	3,736,890	3,736,990
At 1 September 2021	100	3,736,890	3,736,990
Profit for the financial year		840,280	840,280
Dividends		(125,000)	(125,000)
At 31 August 2022	100	4,452,170	4,452,270

LONDON SCHOOL OF MANAGEMENT EDUCATION LIMITED
Statement of Cash Flows
for the year ended 31 August 2022

	Notes	2022 £	2021 £
Operating activities			
Profit for the financial year		840,280	1,086,179
Adjustments for:			
Profit on sale of fixed assets		(3,826)	-
Interest receivable		(939)	(146)
Interest payable		6,111	-
Tax on profit on ordinary activities		205,439	260,906
Depreciation		81,870	86,640
Increase in debtors		(415,511)	(895,543)
Increase in creditors		(2,892)	35,770
		710,532	573,806
Interest received		939	146
Interest paid		(6,111)	-
Corporation tax paid		(258,321)	(232,784)
Cash generated by operating activities		447,039	341,168
Investing activities			
Payments to acquire tangible fixed assets		(54,684)	(173,598)
Proceeds from sale of tangible fixed assets		8,382	-
Cash used in investing activities		(46,302)	(173,598)
Financing activities			
Equity dividends paid		(125,000)	(75,000)
Payment of loans		(100,000)	-
Cash used in financing activities		(225,000)	(75,000)
Net cash generated			
Cash generated by operating activities		447,039	341,168
Cash used in investing activities		(46,302)	(173,598)
Cash used in financing activities		(225,000)	(75,000)
Net cash generated		175,737	92,570
Cash and cash equivalents at 1 September		1,383,698	1,291,128
Cash and cash equivalents at 31 August		1,559,435	1,383,698
Cash and cash equivalents comprise:			
Cash at bank		1,559,435	1,383,698

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 recognized when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognized 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 recognized at transaction price including any transaction costs and subsequently measured at amortized 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 recognized at transaction price net of any transaction costs and subsequently measured at amortized cost determined using the effective interest method.

Taxation
A current tax liability is recognized for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognized in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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.

2 **Details of grant and fee income**	2022 £	2021 £
Fee income from taught awards	4,447,050	3,961,114
Office for Students grants	126,133	279,316
DHSC Covid Testing grant	18,583	-
	4,591,766	4,240,430
By geographical market:		
UK	4,591,766	4,240,430
	4,591,766	4,240,430

3 **Operating profit**	2022 £	2021 £
Depreciation of owned fixed assets	81,870	86,640
Operating lease rentals - land and buildings	310,000	310,000
Auditors' remuneration for audit services	9,500	9,500

4 **Director's remuneration**	2022 £	2021 £
Remuneration	135,000	135,000
Company contributions to defined contribution pension plans	72,968	234,762
	207,968	369,762
Highest paid director:		
Emoluments	75,000	75,000
Company contributions to defined contribution pension plans	36,484	117,381
	111,484	192,381

Number of directors to whom retirement benefits accrued:	2022 Number	2021 Number
Defined contribution plans	2	2

5 Staff costs

	2022 £	2021 £
Wages and salaries	998,212	769,593
Social security costs	98,735	72,114
Other pension costs	95,805	246,958
	1,192,752	1,088,665

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.

Average number of employees during the year	Number	Number
Academic	18	16
Non-academic	12	10
	30	26

7 Remuneration for the head of provider

	2022 £	2021 £
Wages and salaries	75,000	75,000
Pension contribution	36,484	117,381
Dividends	93,750	56,250
	205,234	248,631

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 2.04 times and total remunerationss represent 6.73 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.

8 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:

	2022 £	2021 £
Access investments	269,040	251,013
Financial support provided to students	214,800	195,050
Support for disabled students	11,500	6,800
Research and evaluation	11,064	10,784
	506,404	463,647

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.

9 Taxation

	2022	2021
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	203,918	258,343
	203,918	258,343
Deferred tax:		
Origination and reversal of timing differences	1,521	2,563
	1,521	2,563
Tax on profit on ordinary activities	205,439	260,906

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:

	2022	2021
	£	£
Profit on ordinary activities before tax	1,045,719	1,347,085
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	198,687	255,946
Effects of:		
Expenses not deductible for tax purposes	(5,404)	(11,863)
Capital allowances for period in excess of depreciation	10,635	14,260
Current tax charge for period	203,918	258,343

10 Tangible fixed assets

	Land and buildings *At cost*	Plant and machinery *At cost*	Motor vehicles *At cost*	Total
	£	£	£	£
Cost or valuation				
At 1 September 2021	325,382	411,098	8,100	744,580
Additions	-	54,684	-	54,684
Disposals	-	-	(8,100)	(8,100)
At 31 August 2022	325,382	465,782	-	791,164
Depreciation				
At 1 September 2021	55,176	253,348	3,544	312,068
Charge for the year	32,538	49,332	-	81,870
On disposals	-	-	(3,544)	(3,544)
At 31 August 2022	87,714	302,680	-	390,394
Carrying amount				
At 31 August 2022	237,668	163,102	-	400,770
At 31 August 2021	270,206	157,750	4,556	432,512

11 Debtors

	2022 £	2021 £
Other debtors	3,166,397	2,774,211
Prepayments and accrued income	23,325	-
	3,189,722	2,774,211

Included within other debtors above are due from a related party of £3,155,696 (2021: £2,767,111). See Note 19.

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	100,000	100,000
Trade creditors	19,063	23,989
Corporation tax	203,939	258,342
Other taxes and social security costs	32,219	39,068
Other creditors	302,561	196,428
Accruals and deferred income	10,001	107,251
	667,783	725,078

13 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loans	-	100,000
	-	100,000

The bank loan outsanding 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.

14 Deferred taxation

	2022 £	2021 £
Accelerated capital allowances	29,874	28,353

	2022 £	2021 £
At 1 September	28,353	25,790
Charged to the profit and loss account	1,521	2,563
At 31 August	29,874	28,353

15 Pension scheme

The company operates a defined contribution scheme. During the year the company contributed £72,968 (2021: £246,958). The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	Nominal value	2022 Number	2022 £	2021 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	100	100

17 Profit and loss account

	2022 £	2021 £
At 1 September	3,736,890	2,725,711
Profit for the financial year	840,280	1,086,179
Dividends	(125,000)	(75,000)
At 31 August	4,452,170	3,736,890

18 Dividends

	2022 £	2021 £
Dividends on ordinary shares (note 17)	125,000	75,000

19 Other financial commitments

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

	Land and buildings 2022 £	Land and buildings 2021 £
Falling due:		
within one year	310,000	310,000
within two to five years	1,136,667	1,240,000
in over five years	-	206,667
	1,446,667	1,756,667

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

20 Related party transactions

Included in other debtors is an amount of £3,155,697 (2021: £2,767,111) 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 (2021: £310,000) 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.

21 Government grants

During the year the company received government grants of £1,047 (2021: £6,929) under Corona Virus Job Retention Scheme.

22 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 has repaid the loan by £100,000 and will repay the rest of the loan within next 12 Months.

23 Controlling party

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

24 Presentation currency

The financial statements are presented in Sterling.

25 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.

26 Principal place of business

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

Cambrian House
509-511 Cranbrook Road
Ilford
IG2 6EY