Registered number
06368318

London School of Management Education Limited

Report and Financial Statements

31 August 2023

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
Feltons Chartered Accountants
1 The Green
Richmond
Surrey
TW9 1PL

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

Registered office
Cambrian House
509-511 Cranbrook Road
Ilford
United Kingdom
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 2023.

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).

Directors
The following persons served as directors during the year:

Dr Ravi Kumar
Dr Sarita Parhi

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

- 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.

This report was approved by the board on 30 January 2024 and signed on its behalf.

Dr Sarita Parhi
Director

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 2023.

Review of business

The purpose of this strategic report is to provide a comprehensive overview of the current state of the London School of Management Education (LSME) and propose a strategic framework to enhance its effectiveness, competitiveness, and overall impact in the rapidly evolving landscape of higher education. The strategic report focuses on key areas such as academic excellence, student experience, research and innovation, financial sustainability, and community engagement.

We welcomed the first set of students for the MSc Business Management and the BSc (Hons) Accounting and Finance in the Academic Year and also worked hard to maintain the academic quality of all or existing programmes. 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.

LSME was honoured with an overall Teaching Excellence Framework (TEF) Silver rating in recognition of our outstanding commitment to delivering high-quality teaching, learning, and outcomes for our students. This esteemed recognition reflects our dedication to providing an outstanding quality of educational experience which was rated as Gold and a very high quality student outcomes rated as Silver.

The Access and Participation outreach projects also made remarkable strides in its strategic objectives. Internal research suggested that the provision of financial support for our students indeed correlated with their likelihood to progress from the foundation year to higher education. Our project with local schools also made significant impact on the attainment of pupils who undertook their GCSEs in Maths, English and Science in the 2022-23 Academic Year.

Our 10th Annual International Research Conference on 'Education for All' was organised virtually as per the request of previous and the prospective conference delegates. 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.

The 2023 LSME Annual Convocation was held with great success, featuring a grand ceremony attended by esteemed guests from academia, politics, diplomacy and local business. During this event, we celebrated the accomplishments of our graduates, recognising their hard work and dedication. Additionally, we reiterated our dedication to supporting our Alumni.

Statement of corporate governance

The two main components of the institutional governance system, namely Corporate Governance and Academic Governance have continued to operate collaboratively in the 2022-23 Academic Year. The Corporate Governance of LSME is overseen by the Board of Directors. On the other hand, Academic Governance falls under the purview of the Academic Board, supported by various committees and sub-committees.

The Governing Body, entrusted with matters of fundamental operational concern, typically acknowledges and defers to the Academic Board's role in academic governance. Nevertheless, it seeks assurance from the Academic Board regarding the effectiveness of the institution's academic governance system

Board of governance and academic board

LSME has consistently upheld a strong reputation for academic excellence, quality, professional standards, and effective management practices. This is sustained through a robust governance system overseeing both academic and managerial operations. The Board of Directors, Senior Management Committee, and Academic Board, supplemented by various other committees, collectively contribute to maintaining and enhancing these high standards.

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).

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

Our risk management framework, overseen by the Executive Director, in collaboration with the Board of Directors and the Audit Committee continues to support the sustainability of all our strategic objectives. This framework aims to monitor and mitigate diverse risks that could potentially impact the achievement of the institution's operations. The introduction of a Risk Register and the ongoing deliberation of risks occur within board and committee meetings, reflecting a proactive commitment to managing potential challenges.

The Executive Director, acting on behalf of the BoD, is responsible for the daily execution of internal controls at LSME. While the BoD makes significant decisions, their implementation is carried out by the Executive Director. The Audit Committee conducts periodic reviews of internal control procedures, with noteworthy observations discussed by the BoD. Recommendations stemming from these discussions are then executed by the Executive Director. These internal control mechanisms guarantee the consistent and purposeful utilization of public funds in strict accordance with their intended objectives.

Internal Control and Risk Management

The BoD assumes responsibility for ensuring the College's adherence to statutory agreements, ensuring alignment with the laws and regulations applicable to a company limited by shares. This includes compliance with the regulations set forth by its regulator and awarding organisations, as well as meeting the expectations of students, staff, and shareholders. The BoD plays a crucial role in overseeing that the institution operates within the legal framework and fulfils its obligations to various stakeholders.

The governance structure of the College is designed to align with the expectations of the UK higher education sector, incorporating core values and key governance elements outlined in the Higher Education Code of Governance by the Committee of University Chairs (CUC). The Audit Committee plays a pivotal role by monitoring and providing advice to the Board of Directors (BoD) on the sufficiency and effectiveness of corporate governance arrangements, risk management practices, and the oversight of statutory and regulatory responsibilities.

BoD has assumed the crucial responsibility of ensuring the regularity and propriety in the utilisation of public funding. The governance mechanism is designed to integrate the system of internal controls and risk management, ensuring a cohesive flow through the overall governance structure. This approach contributes to the prudent and accountable management of public funds within the institution.

The Academic Committee oversees the efficiency, effectiveness, and standardisation of academic operations, while the Senior Management Committee is responsible for administrative operations. The Executive Director, BoD, and Audit Committee collectively ensure the implementation of an effective Risk Management Framework at LSME. This Framework, including the initiation of a Risk Register and discussions on risks, is actively addressed in board and committee meetings. The goal is to monitor and manage diverse risks that may impact the institution's operational sustainability.

The internal control mechanisms are in place to ensure the consistent and purposeful utilisation of public funds, aligning strictly with the intended purposes for which those funds were allocated. This approach helps maintain financial integrity and accountability in the use of public resources.

The Audit Committee conducts periodic reviews of internal control procedures, with significant observations discussed by the BoD. Recommendations resulting from these discussions are then implemented by the Executive Director. The Academic Board has established a rigorous reporting mechanism to ensure accountability across academic departments and admissions through regular meetings and documentation. Meanwhile, administrative affairs fall under the purview of the Senior Management Committee, which convenes periodically.

All internal control matters are reported to the Board of Directors, and the recommendations are integrated back into the system through the Academic Board and the Senior Management Committee, ensuring a continuous improvement cycle in governance and control processes.

The foundation of our strong financial management and controls is rooted in the dedicated efforts of the Senior Management Committee. Regular reporting and approvals are sought through the Board of Directors, ensuring transparency and accountability in our financial processes. The primary emphasis of LSME's financial strategy revolves around financial prudence and sustainability, reflecting a commitment to sound fiscal practices for the long-term stability of the institution.

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.

The Internal Quality Audit Committee plays a pivotal role in guaranteeing that all academic, admissions, and administrative processes adhere to established quality standards and meet the targets set for the academic year. Simultaneously, the Financial Control Committee focuses on scrutinizing budgeting processes, resource allocations, accountability measures, and expenditures to ensure financial responsibility and efficiency within the institution. These committees collectively contribute to maintaining high standards and effectiveness across various facets of the organisation.

The Health and Safety Team is responsible for supervising the safety and security of the premises. This committee reports its findings to the Senior Management Committee, offering insights on the adequacy of arrangements for internal control, risk management, governance, value for money, and the management and quality assurance of data. By providing an informed opinion on these critical aspects, the committee plays a key role in ensuring the overall well-being, security, and effectiveness of the institution's operations.

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)/JISC, 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 2022-23 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 also considered quality systems within the academic provision and ensured that misconducts are properly investigated and appropriate actions are taken to mitigate such risks.

d) 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 2022-23 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. This was largely executed through dialogue with international institutions through its research conferences.

LSME has established valuable international partnerships by signing a Memorandum of Understanding (MoU) with a reputable academic institution abroad in the 2022-23 Academic Year. The agreements outline firm plans for mutual support in promoting Business Management training, facilitating the development of young researchers, conducting collaborative research projects, and facilitating student and teacher exchange programs. These initiatives reflect LSME's commitment to global collaboration and the enhancement of educational and research opportunities for its community.

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.

Principal risks and uncertainties with mitigating actions.
Our major challenge for the academic year is to find a credible third party organisation to oversee the running of our AEB grant considering the difficulty it is to combine this administration to the work we do in England. This can be potentially challenging in the current competitive market but the board will continue to do its best to get start this project.

Another potential challenge for us is joining the Register of Apprenticeship Training Organisations as soon as possible to support our ability to apply for grants for vocational programmes. We will continue to keep watch on call for bids for grants awarded by the OfS for degree apprenticeships.

Difficulties in securing high-level employment for leavers of HE is apparent across all HE sectors with similar student demographic structure as that of LSME. However, the introduction of the Employability and Enterprise Hub to support students with the requisite skills for employability will probably help us to overcome this difficulty. The impact of these initiative has started emerging in our existing student population and was even manifested in the student submission to the TEF 2023. We are awaiting the future the GO survey results for LSME to ascertain the exact impact of this initiative.

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. We will continue to improve the uptake and provisions under the current EEH using feedback from students and external stake holders.
2. We will expand our external partnerships and engage more students with local employers to find suitable opportunities for work placement and volunteering for our students.
3. Continue ongoing discussions with the UKVI on recruitment of international students on our accelerated programmes with the view to increasing the numbers of international students in the next academic year.
4. We will continue to work collaboratively with a team of experts to develop our Degree Apprenticeship programmes and apply for grants from the OfS in future to support the running of such programmes.
5. LSME is currently discussing the processes for the introduction of the LLE grants with its validation partners and will ensure we are prepared for development of flexible programmes in the near future under the new student funding proposal.

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 decreased from 681 in 2021/22 to 679 in 2022/23 which is an decrease 0.29% and the revenue increased from £4,393,170 in 2021/22 to £4,727,146 in 2022/23, an increase of 7.60%. The operating profit increased from £1,047,064 in 2021/22 to £1,318,696 in 2022/23 which is an increase of 25.94%.

Capital and reserve as at 31 August 2023 was £5,388,452 compared to £4,452,269 as at 31 August 2022, which is a significant improvement in the company's financial position.

Dr Sarita Parhi
Director
30 January 2024

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 (the 'company') for the year ended 31 August 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 provider's affairs, and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year ended 31st August 2023.
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice14.
- Have been prepared in accordance with the requirements of the Companies Act 2006.
- Where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's accounts direction have been met.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is available 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.

Richard Rhodes
(Senior Statutory Auditor)
for and on behalf of
Feltons Chartered Accountants
Statutory Auditor
30 January 2024

1 The Green
Richmond
Surrey

TW9 1PL

London School of Management Education Limited
Income Statement
for the year ended 31 August 2023

	Notes	2023 £	2022 £
Turnover	2	4,948,764	4,591,765
Cost of sales		(603,344)	(701,749)
Gross profit		4,345,420	3,890,016
Administrative expenses		(3,034,479)	(2,843,999)
Other operating income		7,755	1,047
Operating profit	3	1,318,696	1,047,064
Profit on sale of fixed assets		-	3,826
Interest receivable		13,545	939
Interest payable	6	(3,562)	(6,111)
Profit on ordinary activities before taxation		1,328,679	1,045,718
Tax on profit on ordinary activities	9	(297,496)	(205,439)
Profit for the financial year		1,031,183	840,279

London School of Management Education Limited
Statement of Financial Position
as at 31 August 2023

	Notes		2023 £		2022 £
Fixed assets					
Tangible assets	10		681,360		400,770
Current assets					
Debtors	11	4,258,774		3,189,722	
Cash at bank and in hand		1,242,206		1,559,435	
		5,500,980		4,749,157	
Creditors: amounts falling due within one year	12	(757,825)		(667,784)	
Net current assets			4,743,155		4,081,373
Total assets less current liabilities			5,424,515		4,482,143
Provisions for liabilities					
Deferred taxation	13		(36,063)		(29,874)
Net assets			5,388,452		4,452,269
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		5,388,352		4,452,169
Total equity			5,388,452		4,452,269

Dr Ravi Kumar
Director
Approved by the board on 30 January 2024

London School of Management Education Limited
Statement of Changes in Equity
for the year ended 31 August 2023

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 September 2021	100	-	-	3,736,890	3,736,990
Profit for the financial year				840,279	840,279
Dividends				(125,000)	(125,000)
At 31 August 2022	100	-	-	4,452,169	4,452,269
At 1 September 2022	100	-	-	4,452,169	4,452,269
Profit for the financial year				1,031,183	1,031,183
Dividends				(95,000)	(95,000)
At 31 August 2023	100	-	-	5,388,352	5,388,452

London School of Management Education Limited
Statement of Cash Flows
for the year ended 31 August 2023

	Notes	2023 £	2022 £
Operating activities			
Profit for the financial year		1,031,183	840,279
Adjustments for:			
Profit on sale of fixed assets		-	(3,826)
Interest receivable		(13,545)	(939)
Interest payable		3,562	6,111
Tax on profit on ordinary activities		297,496	205,439
Depreciation		118,753	81,870
Increase in debtors		(1,069,052)	(415,511)
Increase/(decrease) in creditors		100,012	(2,892)
		468,409	710,531
Interest received		13,545	939
Interest paid		(3,562)	(6,111)
Corporation tax paid		(201,278)	(258,321)
Cash generated by operating activities		277,114	447,038
Investing activities			
Payments to acquire tangible fixed assets		(399,343)	(54,684)
Proceeds from sale of tangible fixed assets		-	8,382
Cash used in investing activities		(399,343)	(46,302)
Financing activities			
Equity dividends paid		(95,000)	(125,000)
Repayment of loans		(100,000)	(100,000)
Cash used in financing activities		(195,000)	(225,000)
Net cash (used)/generated			
Cash generated by operating activities		277,114	447,038
Cash used in investing activities		(399,343)	(46,302)
Cash used in financing activities		(195,000)	(225,000)
Net cash (used)/generated		(317,229)	175,737
Cash and cash equivalents at 1 September		1,559,435	1,383,698
Cash and cash equivalents at 31 August		1,242,206	1,559,435
Cash and cash equivalents comprise:			
Cash at bank		1,242,206	1,559,435

London School of Management Education Limited
Notes to the Accounts
for the year ended 31 August 2023

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.

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

Investment property
Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in profit or loss.

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.

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.

2 Analysis of turnover

	2023 £	2022 £
Fee Income	4,727,146	4,393,170
Office for Students grants	221,618	198,595
	4,948,764	4,591,765
By geographical market:		
UK	4,948,764	4,591,765

3 Operating profit	2023 £	2022 £
This is stated after charging:		
Depreciation of owned fixed assets	118,753	81,870
Operating lease rentals - land and buildings	267,996	310,000
Auditors' remuneration for audit services	15,000	12,500

4 Directors' emoluments	2023 £	2022 £
Emoluments	145,000	135,000
Company contributions to defined contribution pension plans	75,597	72,968
Medical Insurance	4,504	-
	225,101	207,968
Highest paid director:		
Emoluments	75,000	75,000
Medical Insurance	2,252	-
Company contributions to defined contribution pension plans	37,798	36,484
	115,050	111,484

5 Staff costs	2023 £	2022 £
Wages and salaries	1,163,379	998,212
Social security costs	115,855	98,735
Medical Insurance	4,504	-
Other pension costs	97,058	95,804
	1,380,796	1,192,751

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	20	18
Non-academic	17	12
	37	30

6	**Interest payable**	**2023**	**2022**
		£	**£**
	Bank loans and overdrafts	3,562	6,111

7	**Remuneration for the head of provider**	**2023**	**2022**
		£	**£**
	Wages and salaries	75,000	75,000
	Pension contribution	37,798	36,484
	Medical Insurance	2,252	-
	Dividends	48,450	93,750
		163,500	205,234

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 2.37 times and total remunerationss represent 7.73 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 participation.
below is the breakdown of the expenditure during the year by type:

	2023	**2022**
	£	**£**
Access investments	276,108	269,040
Financial support provided to students	172,350	214,800
Support for disabled students	24,550	11,500
Research and evaluation	11,064	11,064
	484,072	506,404

Access and participation plan expenditures include staff costs of £181,791 and these costs are already included in the overall staff costs figure included in the financial statements as disclosed in Note 5.

9 Taxation

	2023	2022
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	293,968	203,918
Adjustments in respect of previous periods	(2,661)	-
	291,307	203,918
Deferred tax:		
Origination and reversal of timing differences	6,189	1,521
Tax on profit on ordinary activities	297,496	205,439

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:

	2023	2022
	£	£
Profit on ordinary activities before tax	1,328,679	1,045,718
Standard rate of corporation tax in the UK	20%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	265,736	198,686
Effects of:		
Expenses not deductible for tax purposes	28,232	75,096
Capital allowances for period in excess of depreciation	-	(69,864)
Adjustments to tax charge in respect of previous periods	(2,661)	-
Current tax charge for period	291,307	203,918

10 Tangible fixed assets

	Land and buildings *At cost*	Plant and machinery *At cost*	Total
	£	£	£
Cost or valuation			
At 1 September 2022	325,382	465,782	791,164
Additions	318,247	81,096	399,343
At 31 August 2023	643,629	546,878	1,190,507
Depreciation			
At 1 September 2022	87,714	302,680	390,394
Charge for the year	64,363	54,390	118,753
At 31 August 2023	152,077	357,070	509,147
Carrying amount			
At 31 August 2023	491,552	189,808	681,360
At 31 August 2022	237,668	163,102	400,770

11 Debtors

	2023	2022
	£	£
Other debtors	4,199,611	3,166,397
Prepayments and accrued income	59,163	23,325
	4,258,774	3,189,722

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	-	100,000
Trade creditors	106,424	19,063
Corporation tax	293,969	203,940
Other taxes and social security costs	30,590	32,219
Other creditors	306,306	302,560
Accruals and deferred income	20,536	10,002
	757,825	667,784

13 Deferred taxation

	2023	2022
	£	£
Accelerated capital allowances	36,063	29,874

	2023	2022
	£	£
At 1 September	29,874	28,353
Charged to the profit and loss account	6,189	1,521
At 31 August	36,063	29,874

14 Share capital

	Nominal value	2023 Number	2023 £	2022 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	100	100

15 Profit and loss account

	2023	2022
	£	£
At 1 September	4,452,169	3,736,890
Profit for the financial year	1,031,183	840,279
Dividends	(95,000)	(125,000)
At 31 August	5,388,352	4,452,169

16 Dividends

	2023	2022
	£	£
Dividends on ordinary shares (note 15)	95,000	125,000

17 Other financial commitments

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

	Land and buildings 2023	Land and buildings 2022	Other 2023	Other 2022
	£	£	£	£
Falling due:				
within one year	267,996	310,000	-	-
within two to five years	698,465	1,136,667	-	-
	966,461	1,446,667	-	-

18 Related party transactions

Included in other debtors is an amount of £4,186,591 (2022: £3,155,697) 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 £267,996 (2022: £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.

19 Government backed loan

The company had availed an unsecured loan of £200,000 from HSBC Bank supported by the Coronavirus Business Interuption 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 loan is repaid in current year.

20 Controlling party

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

21 Presentation currency

The financial statements are presented in Sterling.

22 Legal form of entity and country of incorporation

London School of Management Education Limited is a private company limited by shares and incorporated in England.

23 Principal place of business

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

Cambrian House
509-511 Cranbrook Road
Ilford
United Kingdom
IG2 6EY