

Company Registration No. 06545902 (England and Wales)

LONDON SCHOOL OF COMMERCE & IT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

LONDON SCHOOL OF COMMERCE & IT LIMITED

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LONDON SCHOOL OF COMMERCE & IT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Non-current assets					
Property, plant and equipment	6		59,067		59,017
Current assets					
Trade and other receivables	7	57,615		91,333	
Cash and cash equivalents		3,117,274		511,854	
		<u>3,174,889</u>		<u>603,187</u>	
Current liabilities	8	(1,696,316)		(206,181)	
Net current assets			1,478,573		397,006
Total assets less current liabilities			<u>1,537,640</u>		<u>456,023</u>
Provisions for liabilities			(2,904)		(3,566)
Deferred income			(311,325)		-
Net assets			<u>1,223,411</u>		<u>452,457</u>
Equity					
Called up share capital			110,100		110,100
Retained earnings			1,113,311		342,357
Total equity			<u>1,223,411</u>		<u>452,457</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:

Mr Nasrullah Khan
Director
Interim Chair, Board of Governance

Company Registration No. 06545902

LONDON SCHOOL OF COMMERCE & IT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2019	110,100	252,001	362,101
Period ended 31 March 2020:			
Profit and total comprehensive income for the period	-	90,356	90,356
Balance at 31 March 2020	110,100	342,357	452,457
Period ended 31 March 2021:			
Profit and total comprehensive income for the period	-	770,954	770,954
Balance at 31 March 2021	110,100	1,113,311	1,223,411

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

London School of Commerce & IT Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55-56 Greenfield Road, London, E1 1EJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided as education provider in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over 30 years
Fixtures and fittings	10% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Revenue

	2021	2020
	£	£
Details of grant and fee income		
Fee income for taught awards (exclusive of VAT)	3,660,187	952,189
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	-	-
	<u>3,660,187</u>	<u>952,189</u>
	<u>3,660,187</u>	<u>952,189</u>
	2021	2020
	£	£
Revenue analysed by geographical market		
United Kingdom	3,660,187	952,189
	<u>3,660,187</u>	<u>952,189</u>
	2021	2020
	£	£
Other significant revenue		
Coronavirus job retention scheme grants received	21,950	-
	<u>21,950</u>	<u>-</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the Year was:

	2021	2020
	Number	Number
Director	2	2
Tutors	20	10
Administration	8	6
	<u>30</u>	<u>18</u>
Total	<u>30</u>	<u>18</u>

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Employees

(Continued)

Their aggregate remuneration comprised:

	2021	2020
Wages and salaries	293,628	135,140
Social security costs	16,900	5,449
Pension costs	4,049	1,543
	<u>314,577</u>	<u>142,132</u>

Emoluments of the principal, head of the college, were as follows

	2021 £	2020 £
Wages and salaries	31,958	20,898
Social security costs	3,198	1,693
	<u>35,156</u>	<u>22,591</u>

For the accounting period ending 31 March 2021, there were no staff, including the Directors and Principal, that had a total remuneration of over £100,000. In addition, the College have not paid any severance payments during the financial year.

5 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	<u>76,341</u>	<u>66,513</u>

The Directors salary was subject to the same inflationary increase as other College staff. This policy was agreed by these two individuals in their roles as directors of the company and shareholders. The director did not receive any other taxable or non taxable benefits from the company.

Relationship of Principal/Managing director pay and remuneration expressed as a multiple

2021

The Managing Director and Principal's total (being the same as basic) remuneration as a multiple of the median of all staff

1.0

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2020	18,478	238,499	256,977
Additions	-	6,065	6,065
	<u>18,478</u>	<u>244,564</u>	<u>263,042</u>
At 31 March 2021	18,478	244,564	263,042
	<u>18,478</u>	<u>244,564</u>	<u>263,042</u>
Depreciation and impairment			
At 1 April 2020	7,391	190,569	197,960
Depreciation charged in the Year	616	5,399	6,015
	<u>8,007</u>	<u>195,968</u>	<u>203,975</u>
At 31 March 2021	8,007	195,968	203,975
	<u>8,007</u>	<u>195,968</u>	<u>203,975</u>
Carrying amount			
At 31 March 2021	10,471	48,596	59,067
	<u>10,471</u>	<u>48,596</u>	<u>59,067</u>
At 31 March 2020	11,087	47,930	59,017
	<u>11,087</u>	<u>47,930</u>	<u>59,017</u>

7 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Other receivables	57,615	91,333
	<u>57,615</u>	<u>91,333</u>

8 Current liabilities

	2021	2020
	£	£
Trade payables	468,429	-
Corporation tax	207,292	37,518
Other taxation and social security	58,330	11,097
Other payables	962,265	157,566
	<u>1,696,316</u>	<u>206,181</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

LONDON SCHOOL OF COMMERCE & IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Audit report information

(Continued)

The senior statutory auditor was Seema Siddiqui and the auditor was Reddy Siddiqui LLP.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	358,600	179,300
	<u>358,600</u>	<u>179,300</u>