

Company registration number: 04640769

**London School of Science & Technology Limited
Trading as London School of Science & Technology Ltd**

Financial statements

31 March 2020

London School of Science & Technology Limited

Contents

	Page
Directors and other information	1
Strategic report	2 - 3
Directors report	4 - 5
Independent auditor's report to the members	6 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

London School of Science & Technology Limited

Directors and other information

Directors	Mr S B A Zaidi Mrs H Z Zaidi
Company number	04640769
Registered office	Memo House 1st Floor, Kendal Avenue London W3 0XA
Business address	Memo House 1st Floor, Kendal Avenue London W3 0XA
Auditor	K K Associates 305 Crown House North Circular Road Park Royal London NW10 7PN

London School of Science & Technology Limited

Strategic report Year ended 31 March 2020

Vision

To support individuals of all backgrounds, abilities and aspirations in order to fulfil their potential through learning, achievement and progression. To be a modern school of quality.

Mission

To be recognised as a leading provider of further and higher education that is inclusive, inspiring and free from barriers to learning, leading to rewarding careers.

Objectives

To develop, extend further and deliver academic and professional qualifications at all levels of the national curriculum framework according to local demand.

To acquire and maintain resources in line with growing student numbers and enhance institutional capabilities in order to support students in their endeavours to successfully complete their studies.

To adopt best practices in leadership, governance, management and administration in order to ensure a healthy and safe environment for all stakeholders, enhance the educational journey of learners and promote student engagement.

To maintain institutional sustainability in order to ensure continuing operations and safeguard the well-being of all stakeholders.

Values

- Transparency
- Accountability
- Integrity
- Professionalism
- Excellence

Business review

The student numbers and revenues of London School of Science & Technology Ltd (LSST) have increased in 2019/20 when compared with the previous year, and are expected to increase further in 2020/21. Due to consistent improved performance over the last few years, LSST has been able to invest in an enhanced academic structure, increase academic staff which led to smaller class sizes, and improve the capacities of the student support and training and mentoring teams. LSST is a very adaptive, entrepreneurial and responsive organisation and uses its assets and staff to meet needs as they arise.

Principal risks and uncertainties

There are no significant risks and uncertainties. LSST has consistently achieved its student recruitment targets. Its robust Balance Sheet shows that there is no liquidity risk. There is no bad debt and credit risk also because the student fees is paid by the Department for Education, Student Loan Company, and University partners.

LSST Board of directors regularly reviews any possible risks to the business of LSST. This is discussed in Board meetings and action is taken, if necessary, to ensure that that any possible risk remains at a low level.

Impact of Brexit

LSST will not have a negative impact due to Brexit. LSST Board of directors has been following closely Brexit status during the last 24 months. The effect of Brexit was already under consideration even prior to that. LSST's students are mainly from the UK. LSST capacity across campuses has already been expanded in UK to accommodate more UK students. The company's intention is to progressively reduce the number of EU students and replace them with UK and other overseas students. New and additional courses are in process, which will start from 2021. In addition, a greater emphasis is being placed on distance learning and evaluation of overseas campuses.

Impact of Covid-19

LSST does not have any material uncertainty caused by Covid-19. LSST's Board has been closely monitoring the Covid-19 pandemic and has taken significant measures to ensure safety and security of all students, staff, and visitors.

Measures taken by LSST described below have been successfully implemented:

- Face to face converted into online/webinar teaching
- Student support and welfare services available via telephone/online
- Online library resources available to students while at home
- Student and staff attendance online recording mechanism
- Online marketing and recruitment via online interviews and forms
- Campuses and office buildings now open but strictly following UK Government guidelines

Whilst UK was under lockdown, student attendance across all LSST campuses actually increased by 10%, demonstrating that the measures adopted by LSST have been successful. In regard to the new measures taken by LSST, student feedback has also been very positive and encouraging.

Even if the Covid-19 pandemic worsens, LSST's Board is confident that due to the measures taken, there will be an increase in student recruitment, achievement, and satisfaction, ensuring that LSST remains a leading provider of higher education in the UK.

This report was approved by the board of directors on 10 August 2020 and signed on behalf of the board by:



Mr S B A Zaidi
Director

London School of Science & Technology Limited

Directors report Year ended 31 March 2020

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

Directors

The directors who served the company during the year were as follows:

Mr S B A Zaidi
Mrs H Z Zaidi

Dividends

Particulars of recommended dividends are detailed in note 9 to the financial statements.

Future developments

The directors anticipate a favourable business environment. They believe that the company is in a good financial position and they remain confident that the company will continue to grow in future.

Financial instruments

The company does not have financial exposure. Due to robust financial performance in the last few years, there are sufficient cash reserves to cover any unexpected events. These cash reserves are expected to increase in the next few years.

Other matters

The principal activity of the company is that of providing higher education courses and training programmes in business, information technology, health and social care, and English language.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the 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 (United Kingdom Accounting Standards 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

London School of Science & Technology Limited

Directors report (continued)
Year ended 31 March 2020

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 10 August 2020 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'S B A Zaidi', written over a horizontal line.

Mr S B A Zaidi
Director

London School of Science & Technology Limited

Independent auditor's report to the members of London School of Science & Technology Limited Year ended 31 March 2020

Opinion

We have audited the financial statements of London School of Science & Technology Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 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 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

Emphasis of matter

As disclosed in Note 3 Accounting policies - changes in accounting estimates, the company has changed the method of revenue recognition to a more fair basis. This is based on FRS102 percentage of completion method and recognition of tuition fees over period of instruction. We concur with the company's view and our opinion is not modified in respect of this matter.

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. 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.

London School of Science & Technology Limited

Independent auditor's report to the members of London School of Science & Technology Limited (continued) Year ended 31 March 2020

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 has 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 where 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 the 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

London School of Science & Technology Limited

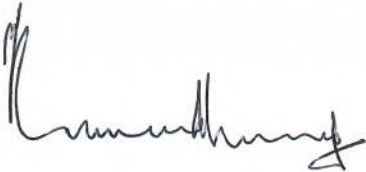
**Independent auditor's report to the members of
London School of Science & Technology Limited (continued)
Year ended 31 March 2020**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditors 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.



Kamal A Kureshi (Senior Statutory Auditor)

For and on behalf of
K K Associates
Chartered Accountants and Registered Auditors
305 Crown House
North Circular Road
Park Royal
London
NW10 7PN

10 August 2020

London School of Science & Technology Limited

Statement of comprehensive income
Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	27,619,866	14,572,018
Cost of sales		(7,504,915)	(3,663,793)
Gross profit		20,114,951	10,908,225
Administrative expenses		(12,708,625)	(7,586,138)
Operating profit	5	7,406,326	3,322,087
Profit before taxation		7,406,326	3,322,087
Tax on profit	8	(1,426,669)	(745,588)
Profit for the financial year and total comprehensive income		<u>5,979,657</u>	<u>2,576,499</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

London School of Science & Technology Limited

**Statement of financial position
31 March 2020**

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10	3,255,100		1,164,611	
			3,255,100		1,164,611
Current assets					
Debtors	11	11,247,373		4,779,030	
Cash at bank and in hand		4,976,006		2,842,949	
		16,223,379		7,621,979	
Creditors: amounts falling due within one year	12	(5,707,400)		(345,168)	
Net current assets			10,515,979		7,276,811
Total assets less current liabilities			13,771,079		8,441,422
Net assets			13,771,079		8,441,422
Capital and reserves					
Called up share capital	14	20,000		20,000	
Profit and loss account		13,751,079		8,421,422	
Shareholders funds			13,771,079		8,441,422

These financial statements were approved by the board of directors and authorised for issue on 10 August 2020, and are signed on behalf of the board by:



Mr S B A Zaidi
Director

Company registration number: 04640769

The notes on pages 13 to 20 form part of these financial statements.

London School of Science & Technology Limited

**Statement of changes in equity
Year ended 31 March 2020**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 April 2018	20,000	6,283,223	6,303,223
Profit for the year		2,576,499	2,576,499
Total comprehensive income for the year	-	2,576,499	2,576,499
Dividends paid and payable		(438,300)	(438,300)
Total investments by and distributions to owners	-	(438,300)	(438,300)
At 31 March 2019 and 1 April 2019	20,000	8,421,422	8,441,422
Profit for the year		5,979,657	5,979,657
Total comprehensive income for the year	-	5,979,657	5,979,657
Dividends paid and payable		(650,000)	(650,000)
Total investments by and distributions to owners	-	(650,000)	(650,000)
At 31 March 2020	20,000	13,751,079	13,771,079

London School of Science & Technology Limited

**Statement of cash flows
Year ended 31 March 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Profit for the financial year	5,979,657	2,576,499
<i>Adjustments for:</i>		
Depreciation of tangible assets	486,837	170,968
Tax on profit	1,426,669	745,588
<i>Changes in:</i>		
Trade and other debtors	(6,468,343)	(3,818,013)
Trade and other creditors	3,690,965	(382,489)
Cash generated from operations	5,115,785	(707,447)
Tax paid	(301,402)	(891,850)
Net cash from/(used in) operating activities	<u>4,814,383</u>	<u>(1,599,297)</u>
Cash flows from investing activities		
Purchase of tangible assets	(2,577,326)	(524,930)
Net cash used in investing activities	<u>(2,577,326)</u>	<u>(524,930)</u>
Cash flows from financing activities		
Equity dividends paid	(104,000)	(438,300)
Net cash used in financing activities	<u>(104,000)</u>	<u>(438,300)</u>
Net increase/(decrease) in cash and cash equivalents	2,133,057	(2,562,527)
Cash and cash equivalents at beginning of year	2,842,949	5,405,475
Cash and cash equivalents at end of year	<u>4,976,006</u>	<u>2,842,948</u>

London School of Science & Technology Limited

Notes to the financial statements (continued) Year ended 31 March 2020

1. General information

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is London School of Science & Technology Ltd, Memo House, 1st Floor, Kendal Avenue, London, W3 0XA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Changes in accounting estimates

The company has decided to recognise revenue effective 1 April 2019 on a basis as described below which they feel is a more fair basis. Previously revenue was recognised in accordance with the payment policy of customers. This policy is payment of 25% upon completion of the first academic term of studies, 25% upon completion of the second academic term of studies, and 50% upon completion of the third academic term of studies which is the final term for an academic year. Students are taught in accordance with the company's academic calendar which lists all weeks in the academic year during which students are taught. Effective 1 April 2019 the company has implemented recognition of revenue based on the number of weeks that students have been taught during the period for which results are being presented. The total fees for each academic year is apportioned across the number of weeks of teaching carried out by the company. That part of the fees relating to the weeks for which teaching has been completed in the accounting period is recognised as fees income. This new policy is in accordance with FRS102 percentage of completion method whereby tuition fees is being recognised as revenue over the period of instruction. The impact of this change in accounting estimates relating to the year ended 31 March 2020 is as below:

	Turnover	Cost of sales	Trade debtors	Trade creditors
	£	£	£	£
Under the new weeks taught basis as described above	27,619,866	7,504,915	8,600,157	3,673,911
Under the previous basis as described above	23,161,672	6,619,638	4,141,963	2,788,634
Impact of change - Increase	4,458,194	885,277	4,458,194	885,277

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

London School of Science & Technology Limited

Notes to the financial statements (continued)

Year ended 31 March 2020

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment	- 25%	straight line
Motor vehicles	- 25%	straight line
Leasehold improvements	- 10%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible assets	486,837	170,968
Fees payable for the audit of the financial statements	5,040	5,040
	<u>5,040</u>	<u>5,040</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
Academic staff	115	85
Administrative and management staff	95	70
	<u>210</u>	<u>155</u>

The aggregate payroll costs incurred during the year were:

	2020	2019
	£	£
Wages and salaries	6,125,601	4,858,426
Social security costs	434,112	285,496
Other pension costs	74,811	31,535
	<u>6,634,524</u>	<u>5,175,457</u>

Wages and salaries as above include £1,542,011 paid to contractors (2019 - £1,839,794).

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	270,000	250,000

Remuneration of the highest paid directors in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	165,000	150,000
Company contributions to pension plans in respect of qualifying services	1,316	1,613
	<u>166,316</u>	<u>151,613</u>

8. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	1,426,669	610,676
Adjustments in respect of previous periods	-	134,912
Tax on profit	<u>1,426,669</u>	<u>745,588</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020	2019
	£	£
Profit before taxation	7,406,326	3,322,087
Profit multiplied by rate of tax	1,407,202	631,197
Adjustments in respect of prior periods	-	134,912
Effect of capital allowances and depreciation	19,467	(20,521)
Tax on profit	<u>1,426,669</u>	<u>745,588</u>

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

9. Dividends

Equity dividends

	2020	2019
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	104,000	438,300
Dividends proposed before the year end and recognised as a liability	<u>546,000</u>	<u>-</u>

10. Tangible assets

	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2019	634,075	2,380,172	143,682	3,157,929
Additions	-	2,577,326	-	2,577,326
At 31 March 2020	<u>634,075</u>	<u>4,957,498</u>	<u>143,682</u>	<u>5,735,255</u>
Depreciation				
At 1 April 2019	-	1,882,355	110,963	1,993,318
Charge for the year	-	464,621	22,216	486,837
At 31 March 2020	<u>-</u>	<u>2,346,976</u>	<u>133,179</u>	<u>2,480,155</u>
Carrying amount				
At 31 March 2020	<u>634,075</u>	<u>2,610,522</u>	<u>10,503</u>	<u>3,255,100</u>
At 31 March 2019	<u>634,075</u>	<u>497,817</u>	<u>32,719</u>	<u>1,164,611</u>

11. Debtors

	2020	2019
	£	£
Trade debtors	8,600,157	2,214,131
Other debtors	2,647,216	2,564,899
	<u>11,247,373</u>	<u>4,779,030</u>

Other debtors include £1,554,167 (2019 - £1,641,667) from related parties, details are in note 17.

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	3,673,911	65,326
Corporation tax	1,283,993	158,726
Social security and other taxes	168,350	91,768
Dividends payable	546,000	-
Other creditors	35,146	29,348
	<u>5,707,400</u>	<u>345,168</u>

Trade creditors include £748,845 (2019 - £Nil) from related parties, details are in note 17.

13. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £74,811 (2019: £31,535).

14. Called up share capital
Issued, called up and fully paid

	2020		2019	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

London School of Science & Technology Limited

Notes to the financial statements (continued) Year ended 31 March 2020

15. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	2,089,263	1,900,573
Later than 1 year and not later than 5 years	7,351,694	7,965,878
Later than 5 years	16,843,572	18,179,715
	<u>26,284,529</u>	<u>28,046,166</u>

London School of Science & Technology Ltd (LSST) signed some long leases as part of its continued growth and expansion. The locations of these buildings are situated in prime locations in London, Birmingham and Luton. There are no restrictions in subletting to third parties if needed. The landlords cannot ask LSST to vacate premises earlier than expiry of the rent leases, which have expiry dates up to 2039. Due to University requirements, LSST is required to hold long leases of the campuses. The leases can be re-negotiated with the landlords if necessary. Lease payments recognised as an expense during the year ended 31 March 2020 amounted to £1,925,677 (2019 - £996,876).

16. Charge on assets

On 4 September 2019 a debenture was created and registered giving HSBC UK Bank plc a fixed and floating charge over the company's assets to cover any temporary overdraft facilities and/or credit card facilities.

17. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Readytac Ltd	1,146,956	1,579,224	-	-
Directors remuneration - see Note 7	270,000	250,000	-	-
Directors dividends - see Note 9	650,000	438,300	(546,000)	-
Zabs Group Ltd	670,833	538,209	379,167	466,667
Ahlebait Foundation	98,150	90,101	-	-
London Community College	1,177,225	246,186	(748,845)	-
Fairfield School of Business Ltd	-	(1,425,000)	725,000	725,000
Zabs Property	471,392	957,500	450,000	450,000
Ahlebait Network Ltd	50,500	-	-	-

Readytac Ltd, Zabs Group Ltd, Ahlebait Foundation, London Community College, Fairfield School of Business Ltd, Zabs Property, and Ahlebait Network Ltd are related parties due to being under common control. The nature of transactions with them relate to recharges of property rentals, equipment, and other costs. No security or guarantee has been given in respect of any related party transaction.

London School of Science & Technology Limited

Notes to the financial statements (continued)

Year ended 31 March 2020

18. Key management personnel

The total compensation of key management personnel including during this year was £832,718 (2019 - £695,711).

19. Controlling party

The company is controlled by the director Mr S B A Zaidi who owns 90% and together with his family owns 100% of the issued ordinary share capital.