

Company registration number: 04640769

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

Financial statements

31 March 2021



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London School of Science & Technology Limited

Directors and other information

Directors	Mr Syed Baqar Abbas Zaidi	
	Ms Hassnain Zahra Zaidi	
	Mr James Kirkbride	(Appointed 30 July 2021)
	Mr Mohammed Hussain Zaidi	(Appointed 30 July 2021)
	Ms Benish Fatima Zaidi	(Appointed 30 July 2021)
	Dr John Pomeroy	(Appointed 13 January 2021)
	Mr Ali Jafar Zaidi	(Appointed 30 July 2021)
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 2021

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 2020/21 when compared with the previous year, and are expected to increase further in 2021/22.

LSST is a dynamic and proactive higher education provider where the directors and senior managers work diligently and collectively to ensure the organisation is able to meet present and future challenges, including Covid-19, Brexit, etc. Whilst many University and alternative providers continue to struggle with student and staff engagement due to changes in the social-economic environment caused due to the lockdowns and the furlough scheme, the directors of LSST are confident that the organisation will continue to meet and exceed regulatory, University partner and student expectations.

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. Student progression, retention, and attendance improved significantly in spite of the Covid pandemic.

London School of Science & Technology Limited

Strategic report (continued) Year ended 31 March 2021

Corporate Governance

London School of Science & Technology (LSST) is fully controlled by its Board of Governors which is its ultimate authority and decision making body.

Under the outstanding leadership of the Board of Governors, LSST pursued its strategic aims under the exceptionally challenging circumstances presented by the ongoing Covid-19 pandemic. Despite the difficult circumstances, Board of Governors continued to oversee the School's considerable progress in the delivery of its strategy. The board prioritised its student and staff wellbeing, and the provision of high-quality higher education programmes, whilst ensuring the School's financial sustainability.

The School does not hold its own Degree Awarding Powers and its taught programmes are validated under agreement with partner public universities. These partnerships commit the School to embrace governance concepts that align with those of a publicly founded higher education provider to demonstrate the necessary transparency and probity for institutions which receive income from student loans. As such, the School operates its governance arrangements with due regard for the Public Interest Governance Principles set out within the Office for Students' Regulatory Framework.

Our governance had to be flexible and adaptable during this period to assure rigorous decision making with appropriate transparency and accountability.

Our committees had to work especially hard to respond nimbly to the uncertainty and frequent changes we faced, taking into account the School's short, medium, and long-term financial situation and risk management. Throughout this period, the School demonstrated its financial resilience in the face of adversity, adopting a robust approach to scenario planning, and prudent operational management.

The School is committed to exemplifying best practice in all aspects of corporate governance. The School acknowledges its statutory duty to conduct its affairs in a responsible and transparent way, and to take into account the requirements of the Sector Regulatory Body (the OfS), and the School's awarding body partners.

LSST is also committed to the principles of academic freedom and equality of opportunity in its approach to governance.

The School has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Modern Slavery and Human Trafficking Statement can be accessed on our website at: <https://www.lsst.ac/about/modern-slavery-statement>

Governance Framework

Governance at LSST is structured within three domains, namely:

- o Strategic governance at Board-level
- o Institutional management undertaken by the Executive
- o Governance of Quality and Standards overseen by the Academic Board and its subcommittees

The CEO has a general responsibility for maintaining and promoting the efficiency and good order of the School. Under the terms of the OfS Regulatory Framework for Higher Education in England, the CEO is the Accountable Officer of the School.

The Board of Governors is the governing body of the School, responsible for setting the general strategic direction of the institution, for ensuring proper accountability, and for the strategic oversight of its finances, property and investments and the general business of the School.

The Board of Governors ensure that it has adequate independent membership, together with student and staff representatives who are only appointed after demonstration that they satisfy the definition of 'fit and proper persons' as articulated by the OfS in the 'Regulatory framework for higher education in England'.

The Board of Governors has a number of committees, which undertake a lot of the detailed scrutiny on behalf of the Board and their decisions are reported back to the Board and, where relevant, other committees. All committees are formally constituted with written terms of reference.

London School of Science & Technology Limited

Strategic report (continued)

Year ended 31 March 2021

Internal Control

There are two principal bodies of governance at LSST; its governing body (the Board of Governors) which has primacy in all matters of institutional strategy and core policy, and a devolved body for the independent oversight of academic standards and quality (the Academic Board). Authority for committing necessary resources and coordinating actions to carry out strategic plans and directives from the Board of Governors is delegated in practice to an Executive Committee, comprising the School's senior management and departmental heads.

The School's instruments of governance and terms of reference are set out within comprehensive guidance document: Governance and the London School of Science & Technology, which is published prominently on the School's public website.

As the governing body of London School of Science and Technology, the Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which the School is responsible in accordance with the responsibilities assigned to the governing body in the School's Governance Handbook and in the OfS's Regulatory Framework for Higher Education in England.

The system of internal control is designed to manage and eliminate (where possible) the risk of failure to achieve policies, aims and objectives.

The School has reviewed and updated its risk management procedures, which continue to enable it to be fully compliant with university partners and other regulators. The School keeps its Risk Register under review in order to better recognise and manage the risks it faces in the delivery of its strategic aims. It has been designed to cover all risks including governance, management, quality, reputational and financial, whilst focusing on the most important risks. The Risk Register provides an appraisal of the current and projected position for each risk, including a likelihood/impact matrix.

The School has a Remuneration and Audit Committee which is managed by an Independent Financial Consultant. The Board of Governors receives regular reports from Academic Board, Financial Board, Executive Committee, and other committees, which it reviews and updates its instructions relating to the School's internal control systems and audit checks.

The School strives to apply value for money considerations to all its processes and activities and this is supported by strong awareness and vigilance across the executive. The Board of Governors and the Audit Committee and Finance Board have adequate and effective arrangements in place to ensure value for money in accordance with the OfS's Regulatory Framework for Higher Education in England.

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 2021/22. In addition, a greater emphasis is being placed on distance learning and evaluation of overseas campuses.

London School of Science & Technology Limited

Strategic report (continued) Year ended 31 March 2021

Impact of Covid-19

Since the beginning of the pandemic, the LSST directors have been working on various contingencies related to Covid-19 to ensure minimal effect on LSST business and operations. From the outset of the pandemic LSST established a dedicated team to oversee the development of Covid-19 and ensure timely information was provided to all patrons. LSST has provided full training, information leaflets, etc to its staff and students how to protect them against COVID-19. From the beginning of the pandemic, additional cleaning and personal hygiene equipment had been purchased, with all premises being thoroughly cleaned overnight and ongoing cleaning during the day to ensure minimal risk of catching the virus whilst at work. Due to previous investments in the Virtual Learning Environment, LSST was able to very quickly and efficiently transfer all students to remote learning thereby ensuring no reduction in student learning experience.

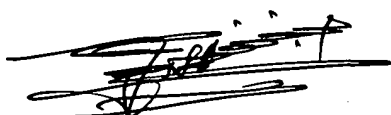
Measures taken by LSST described below have been successfully implemented:

- 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 13 November 2021 and signed on behalf of the board by:



Mr Syed Baqar Abbas Zaidi
Director

London School of Science & Technology Limited

Directors report Year ended 31 March 2021

The directors present their report and the financial statements of the company for the year ended 31 March 2021.

Directors

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

Mr Syed Baqar Abbas Zaidi

Ms Hassnain Zahra Zaidi

Dr John Pomeroy

(Appointed 13 January 2021)

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.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 17 to the financial statements.

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.

London School of Science & Technology Limited

Directors report (continued) Year ended 31 March 2021

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.

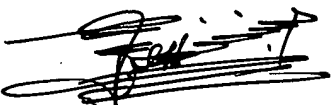
Auditor

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 13 November 2021 and signed on behalf of the board by:



Mr Syed Baqar Abbas 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 2021

Opinion

We have audited the financial statements of London School of Science & Technology Limited (the 'company') for the year ended 31 March 2021 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 2021 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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

London School of Science & Technology Limited

Independent auditor's report to the members of London School of Science & Technology Limited (continued) Year ended 31 March 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity, which it has to comply with. Our audit tests included tests to check this compliance to the extent that we are expected to do so.

In our risk assessment process detailed discussions and planning took place to ensure that our audit procedures are so designed that any material irregularity including fraud will be uncovered when we carry out our tests.

Our meetings with the company's management included enquiries that were focused on detection of irregularities including fraud. Discussions included consideration of the risk of management override on controls and segregation of duties. In addition, we reviewed Board minutes and any correspondence with regulatory authorities.

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 2021

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.
- 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.

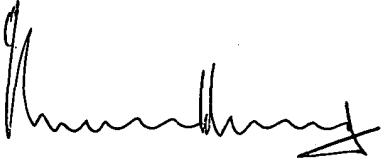
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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 2021**



Kamal A Kureshi (Senior Statutory Auditor)

For and on behalf of
K K Associates
Statutory Auditor
305 Crown House
North Circular Road
Park Royal
London
NW10 7PN

13 November 2021

London School of Science & Technology Limited

**Statement of comprehensive income
Year ended 31 March 2021**

	Note	2021 £	2020 £
Turnover	4	40,389,206	27,619,866
Cost of sales		(12,793,417)	(7,504,915)
Gross profit		27,595,789	20,114,951
Administrative expenses		(16,095,729)	(12,708,625)
Operating profit	5	11,500,060	7,406,326
Profit before taxation		11,500,060	7,406,326
Tax on profit	8	(2,265,167)	(1,426,669)
Profit for the financial year and total comprehensive income		<u>9,234,893</u>	<u>5,979,657</u>

All the activities of the company are from continuing operations.

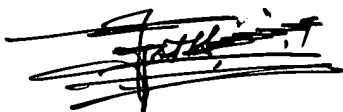
The notes on pages 16 to 23 form part of these financial statements.

London School of Science & Technology Limited

**Statement of financial position
31 March 2021**

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10	3,172,325		3,255,100	
			3,172,325		3,255,100
Current assets					
Debtors	11	13,209,124		11,247,373	
Cash at bank and in hand		15,322,976		4,976,006	
		28,532,100		16,223,379	
Creditors: amounts falling due within one year	12	(8,847,453)		(5,707,400)	
Net current assets			19,684,647		10,515,979
Total assets less current liabilities			22,856,972		13,771,079
Net assets			22,856,972		13,771,079
Capital and reserves					
Called up share capital	14	20,000		20,000	
Profit and loss account		22,836,972		13,751,079	
Shareholders funds		22,856,972		13,771,079	

These financial statements were approved by the board of directors and authorised for issue on 13 November 2021, and are signed on behalf of the board by:


Mr Syed Baqar Abbas Zaidi
Director

Company registration number: 04640769

The notes on pages 16 to 23 form part of these financial statements.

London School of Science & Technology Limited

**Statement of changes in equity
Year ended 31 March 2021**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 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 and 1 April 2020	20,000	13,751,079	13,771,079
Profit for the year		9,234,893	9,234,893
Total comprehensive income for the year	-	9,234,893	9,234,893
Dividends paid and payable		(149,000)	(149,000)
Total investments by and distributions to owners	-	(149,000)	(149,000)
At 31 March 2021	20,000	22,836,972	22,856,972

London School of Science & Technology Limited

**Statement of cash flows
Year ended 31 March 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	9,234,893	5,979,657
<i>Adjustments for:</i>		
Depreciation of tangible assets	530,584	486,837
Tax on profit	2,265,167	1,426,669
<i>Changes in:</i>		
Trade and other debtors	(1,961,751)	(6,468,343)
Trade and other creditors	2,792,657	3,690,965
Cash generated from operations	12,861,550	5,115,785
Tax paid	(1,371,771)	(301,402)
Net cash from operating activities	<u>11,489,779</u>	<u>4,814,383</u>
Cash flows from investing activities		
Purchase of tangible assets	(447,809)	(2,577,326)
Net cash used in investing activities	<u>(447,809)</u>	<u>(2,577,326)</u>
Cash flows from financing activities		
Equity dividends paid	(695,000)	(104,000)
Net cash used in financing activities	<u>(695,000)</u>	<u>(104,000)</u>
Net increase/(decrease) in cash and cash equivalents	10,346,970	2,133,057
Cash and cash equivalents at beginning of year	4,976,006	2,842,949
Cash and cash equivalents at end of year	<u>15,322,976</u>	<u>4,976,006</u>

London School of Science & Technology Limited

Notes to the financial statements Year ended 31 March 2021

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.

Turnover

i) Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax. Revenue from the sale of services is recognised when the significant risks and rewards of ownership have transferred to the buyer on delivery of the services; 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.

ii) The payment policy of customers 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. The company recognises 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 policy is in accordance with FRS102 percentage of completion method whereby tuition fees is being recognised as revenue over the period of instruction.

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.

London School of Science & Technology Limited

Notes to the financial statements (continued) Year ended 31 March 2021

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 2021

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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):

	2021	2020
	£	£
Depreciation of tangible assets	530,584	486,837
Fees payable for the audit of the financial statements	5,040	5,040
	<u>535,624</u>	<u>491,877</u>

London School of Science & Technology Limited

Notes to the financial statements (continued) Year ended 31 March 2021

6. Staff costs

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

	2021	2020
Academic staff	134	115
Administrative and management staff	113	95
	<u>247</u>	<u>210</u>

The aggregate payroll costs incurred during the year were:

	2021 £	2020 £
Wages and salaries	7,862,593	6,125,601
Social security costs	641,391	434,112
Other pension costs	113,057	74,811
	<u>8,617,041</u>	<u>6,634,524</u>

Wages and salaries as above include £1,240,565 paid to contractors (2020 - £1,542,011).

The number of employees including directors whose gross salary was over £100,000 was as below:

	2021	2020
Basic salary per annum		
£105,000 - £109,999	-	2
£110,000 - £114,999	2	1
£150,000 - £155,999	1	-
£165,000 - £169,999	-	1
£175,000 - £179,999	1	-

Head of provider remuneration

	2021 £
Salary	175,500
Company contribution to pension plan	1,313
Dividend	149,000
Total	<u>325,313</u>

The pay multiple of head of provider's salary and the median salary of other employees is 5.9, and head of provider's total remuneration and median salary of other employees is 10.4.

The company has performed well under leadership of head of provider (CEO) in spite of the pandemic circumstances. The directors do not consider the head of provider's remuneration to be excessive and consider it to be comparable to other providers in the industry.

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2021

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	<u>333,750</u>	<u>270,000</u>

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

	2021	2020
	£	£
Aggregate remuneration	175,500	165,000
Company contributions to pension plans in respect of qualifying services	<u>1,313</u>	<u>1,316</u>
	<u>176,813</u>	<u>166,316</u>

8. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	<u>2,265,167</u>	<u>1,426,669</u>
Tax on profit	<u>2,265,167</u>	<u>1,426,669</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	<u>11,500,060</u>	<u>7,406,326</u>
Profit multiplied by rate of tax	2,185,011	1,407,202
Effect of capital allowances and depreciation	<u>80,156</u>	<u>19,467</u>
Tax on profit	<u>2,265,167</u>	<u>1,426,669</u>

9. Dividends

Equity dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	149,000	104,000
Dividends proposed before the year end and recognised as a liability	<u>-</u>	<u>546,000</u>

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2021

10. Tangible assets

	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	634,075	4,957,498	143,682	5,735,255
Additions	-	447,809	-	447,809
Disposals	-	-	(75,432)	(75,432)
At 31 March 2021	<u>634,075</u>	<u>5,405,307</u>	<u>68,250</u>	<u>6,107,632</u>
Depreciation				
At 1 April 2020	-	2,346,976	133,179	2,480,155
Charge for the year	-	520,081	10,503	530,584
Disposals	-	-	(75,432)	(75,432)
At 31 March 2021	<u>-</u>	<u>2,867,057</u>	<u>68,250</u>	<u>2,935,307</u>
Carrying amount				
At 31 March 2021	<u>634,075</u>	<u>2,538,250</u>	<u>-</u>	<u>3,172,325</u>
At 31 March 2020	<u>634,075</u>	<u>2,610,522</u>	<u>10,503</u>	<u>3,255,100</u>

11. Debtors

	2021 £	2020 £
Trade debtors	10,674,007	8,600,157
Other debtors	2,535,117	2,647,216
	<u>13,209,124</u>	<u>11,247,373</u>

Other debtors include £1,263,354 (2020 - £1,554,167) due from related parties, see note 18.

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,246,381	3,673,911
Corporation tax	2,177,389	1,283,993
Social security and other taxes	234,047	168,350
Dividends payable	-	546,000
Other creditors	189,636	35,146
	<u>8,847,453</u>	<u>5,707,400</u>

Trade creditors include £570,069 (2020 - £1,294,845) which was due from related parties, see note 18.

13. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £113,057 (2020: £74,811).

London School of Science & Technology Limited

Notes to the financial statements (continued)
Year ended 31 March 2021

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

	2021		2020	
	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.

15. Operating leases

The company as lessee

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

	2021	2020
	£	£
Not later than 1 year	2,903,119	2,089,263
Later than 1 year and not later than 5 years	6,931,669	7,351,694
Later than 5 years	<u>15,507,429</u>	<u>16,843,572</u>
	<u>25,342,217</u>	<u>26,284,529</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 2021 amounted to £3,154,907 (2020 - £1,925,677).

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. Events after the end of the reporting period

On 22 October 2021 a debenture was created and registered giving Barclays Bank PLC a fixed and floating charge over the company's assets to cover any credit card facilities.

London School of Science & Technology Limited

Notes to the financial statements (continued) Year ended 31 March 2021

18. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
Readytac Ltd	281,332	1,146,956	(81,250)	-
Directors remuneration - see Note 7	333,750	270,000	-	-
Directors dividends - see Note 9	149,000	650,000	-	(546,000)
Zabs Group Ltd	556,073	670,833	588,354	379,167
Ahlebait Foundation	110,500	98,150	-	-
London Community College	1,901,294	1,177,225	(488,819)	(748,845)
Fairfield School of Busniess Ltd	-	-	-	725,000
Zabs Property	983,627	471,392	675,000	450,000
Ahlebait Network Ltd	-	50,500	-	-

The related parties are related due to being under common control.

The nature of payments to related parties relate to recharges of property rentals, purchase of equipment and other costs.

No security or guarantee has been given in respect of any related party transaction.

During the year LSST made rental payments of £983,627 for a property rented from two directors (Zabs Property).

The amounts due from related parties relate to rent deposits and advances to Zabs Group Ltd £588,354 and Zabs Property £675,000.

LSST did not consider it to be required and has not made any allowance for bad or doubtful debts in respect of related parties in the year.

19. Key management personnel

The total compensation of key management personnel including during this year was £813,066 (2020 - £832,718).

20. 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.