

Company Number 5889034

Charity Number 1117883



London College of Business Studies

Company limited by guarantee

Annual Report and financial statements

For the period ended 31 July 2018

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Trustees Report

The Trustees present their report together with the financial statements of the charity for the period ended 31 July 2018.

The Board of Trustees is satisfied with the performance of the charity during the year and the position at 31 July 2018 and considers the charity in a reasonable position to continue its activities during the coming year and that the charity assets are adequate to fulfil its obligations.

Reference and Administrative Details

Registered Company Number:

05889034 (England and Wales)

Registered Charity Number:

1117883

Registered Office

277 Cranbrook Road
Ilford
IG1 4TG

The Trustees

Mr M A Saad
Mr A S Yasir
Mr A A Shakir

Company Secretary

Mr A S Yasir

Principal

Director of Enhancement

Head of Academics

Head of Administration

Mr Michael Scott

Mr Michael Parr

Ms Hashna Begum

Mr Asad Sarwat

Auditors

HSY Accountants Ltd
20 Tadworth Parade
Elm Park
RM12 5AS

Bankers

Natwest Bank Plc
Bishopsgate
London
EC2M 3UR

Solicitors

Stone King Solicitors
16 St John's Lane
London
EC1M 4BS

Nature of governing document and constitution of the charity

Memorandum and Articles of Association Incorporated on 27 July 2006 as amended by special resolution dated September 2006 and January 2007.

Objectives and Activities of the Charity

Objects of the charity as set out in its governing document.

The Objects of the Charity are to advance education by provision of courses to home and international students.

The charity's main objectives for the year;

1. Higher Education at Higher National Diploma
2. Technical and Vocational Education
3. Adult and Other Education
4. Consultancy to the Higher Education Sector

Review of charitable activities 2017-18

The college was in the process of waiting for its course designation application outcome in order to allow learners to be able to access student support through Student Finance England for the higher education courses. There were delays in the conclusion of the application and it was eventually approved in June 2018, almost 20 weeks after the published application conclusion times of 6 to 8 weeks. Therefore, the College was mainly reliant on its trading income from professional training and had to escalate these activities in order to increase the income from these activities as opposed to initially planned. This, of course, being a part of the College's alternate plans of ensuring financial sustainability. The College had moved to a much cost-effective premises and with the high costs of 3 large premises taken partially out of the equation, the overheads for the year were not excessively high. With the course designation now in place, the College has already been able to recruit a number of learners on its higher education programme and is also moving to new and better premises to enhance the facilities to students. The premises are in Ilford and the location is much more ideal for learners and with the better facility the College sees the recruitment of learners even more favourable.

College's activities related to 2017-18 have also involved the strengthening of its operational and strategic effectiveness and control in order to effectively, efficiently and economically fulfil its purpose and objectives. This, together with, prudent financial measures, the College has mitigated risks in order to continue to sustain and maintain despite difficult external circumstances.

Subsequently, with the similar challenges in hand, it was commendable how the College was able to make good use of the limited resources at its disposal and satisfy the awarding body after the Academic Management Review conducted in April 2018. The report was very good with the College getting not even a single recommendation. Prior

to this the College also underwent a full QAA Review known as the HER (Higher Education Review) and this was also successfully passed, showing reliance and confidence in College's operational systems and management of education. The above is consistent with the acknowledgement of College's outstanding performance with respect to student achievement and quality of education that it had demonstrated during 2013 to 2015, resulting in over 90% achievement rate.

Throughout the financial year, the College continued to review its processes and procedures in order to find the optimum work techniques that are able to assist in goal congruence and achievement of objectives in order to ensure that it is able to achieve its objectives as well as work towards continuous improvement. There is no place for complacency in the implementation and review of quality control as it needs to be continued to improve. The College will continue to use all endeavours in order to ensure the delivery of good quality services and benefits to the community and the establishment of growth and prosperity. With the recent developments and progress of the Charity, we are optimistic about steady growth and success as an organisation and hope to achieve a lot more in the near future.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the aim and objectives and in planning future activities. The Trustees are mindful that they need to consider and explain how the charity fulfils its charitable object and confers appreciable public benefit. They consider that effectively all the operations of the charity tend towards that end, for example;

- a) London College of Business Studies is a UK online centre and therefore anyone who wishes to use the College's computer facilities can do so, free of charge.
- b) Education and training the public is beneficial to improving the society, especially learners from non-traditional routes and disadvantaged backgrounds.
- c) London College of Business Studies offers scholarships and discounts to students who are financially unable to pay their fee, but are exceptionally good students.

Revenue Generation

The charity has received all income through its miscellaneous trading activities.

Decision Making

Decisions and strategic direction are formulated by the Trustees. These decisions are then executed by the Senior Management Team.

Risk

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that the systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. To mitigate against any financial misappropriation, Trustees and accounting staff regularly monitor and supervise the financial affairs of the charity.

Financial Review

The college has produced 12 months account. The income attributable for the period ended 31st July 2018 is £200,510. The college has seen a financial gain in this year after being in deficit in the previous financial period. This is another positive sign as the College moves forward and is able to sustain financially with the expectation of improving the provision.

Reserve Policy

The Trustees consider holding reserves amounting to approximately three months' average expenditure. The free reserve ensures the charity does not need to obtain overdraft facilities during the year.

Transactions and Financial Position

The financial statements are set out on pages 10 to 16. The financial statements have been prepared under applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland' and in accordance with the requirements of the Charities Act 2011.

Specific changes in Fixed Assets

Changes in fixed assets are shown in detail in the notes to the accounts.

Share Capital

The company is limited by guarantee and therefore has no share capital.

Recruitment of Trustees

London College of Business Studies adheres to maintain a good strategy to recruit its trustees. Trustees have the responsibilities to seek the applicants in order to find the best and suitable candidate who will be an asset to the charity in its establishment and growth.

Accounting Policies

The accounting policies adopted by the charity are detailed in Note 1 to the financial statements. There have been no changes to the accounting policies during the period.

Trustees' responsibilities in relation to financial statements

Law applicable to the charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgement and estimate that are reasonable and prudent;
- State whether applicable accounting standards and statement of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping financial records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that financial statements comply with the Charities Act 2011 and Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr Ahmed Sarfaraz Yasir
Trustee/Director

30-05-2019

London College of Business Studies
Independent auditors' report
To the member of London College of Business Studies

We have audited the financial statements of London College of Business Studies (the 'Charity') for the year ended 31 July 2018 set out on pages 10-16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statement is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity for the purpose of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

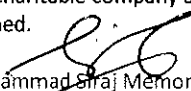
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we 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 charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.


Muhammad Sraaj Memon (Senior Statutory Auditor)
For and on behalf of
HSY Accountants Ltd

Chartered Certified Accountants
& Statutory Auditors

20 Tadworth Parade, Elm Park, RM12 5AS

Date: 30 - 05 - 2019

London College of Business Studies
Statement of Financial Activities
for the year ended 31 July 2018

		Unrestricted	Restricted		
	Notes	Funds	Funds	All Funds	All Funds
		2018	2018	2018	2017
		£	£	£	£
Income resources					
i) Fees receivable	2	200,510		200,510	55,345
ii) Bank Interest received					
iii) Rent receivable					
iv) other income					
Total Incoming resources		<u>200,510</u>		<u>200,510</u>	<u>55,345</u>
Resources expended					
Costs of generating voluntary income		-		-	-
Charitable activities		193,771		193,771	874,056
Governance costs		-		-	-
Other resources					
Total resources expended		<u>193,771</u>		<u>193,771</u>	<u>874,056</u>
Net Incoming Resources/ (Loss)		6,739		6,739	(818,711)
Net Movement in Funds					
Funds balance brought forward as at 08 February 2016		380,547		380,547	1,199,258
Funds balance carried forward as at 31 July 2018		<u><u>387,286</u></u>		<u><u>387,286</u></u>	<u><u>380,547</u></u>

London College of Business Studies
Cash Flow Statement
for the period from 01 August 2017 to 31 July 2018

	2018	2017
	£	£
Cash generated from operations		
Operating Profit/ (loss)	6,739	(818,711)
Reconciliation to cash generated from operations:		
Depreciation	26,398	52,473
Amortisation of goodwill	-	25,500
(Increase)/decrease in debtors	(7,499)	(65,951)
Increase/ (Decrease) in creditors	(8,080)	(221,165)
	<u>17,558</u>	<u>(1,027,854)</u>
Cash from other sources		
Proceeds from sale of tangible fixed assets	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Application of cash		
Purchase of tangible/ intangible fixed assets	<u>-</u>	<u>(19,849)</u>
	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash	17,558	(1,047,703)
Cash at bank and in hand less overdrafts at 01 August	<u>235,438</u>	<u>1,283,141</u>
Cash at bank and in hand less overdrafts at 31 July	<u>252,996</u>	<u>235,438</u>
 Consisting of:		
Cash at bank and in hand	<u>252,996</u>	<u>235,438</u>

London College of Business Studies
Balance Sheet
as at 31 July 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	4	<u>79,192</u>	<u>105,590</u>
		79,192	105,590
Current assets			
Other debtors		73,420	65,951
Cash at bank and in hand	5	<u>252,996</u>	<u>235,438</u>
		326,446	301,389
Liabilities: amounts falling due within one year	6	18,352	26,432
Net current assets		<u>308,094</u>	<u>274,957</u>
Net assets		<u>387,286</u>	<u>380,547</u>
Represented by:			
Unrestricted funds	8	387,286	380,547
		<u>387,286</u>	<u>380,547</u>

Approved by the Board of Trustees on 18th April 2019 and signed on its behalf by



Mr Ahmed Sarfaraz Yasir
 Director/ Trustee

London College of Business Studies
Notes to the Accounts
for the period from 1 August 2017 to 31 July 2018

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.1. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of Grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, equipment	fittings	and	25% Reducing Balance
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London College of Business Studies
Notes to the Accounts
for the period from 1 August 2017 to 31 July 2018

1 Income			2018	2017
			£	£
Tuition fees			200,510	55,345
other income			-	-
			<u>200,510</u>	<u>55,345</u>
2 Other direct charitable expenditure			2018	2017
			£	£
Commission payable			-	-
Staff welfare			3,050	6,561
			<u>3,050</u>	<u>6,561</u>
3 Management & Administrative Expenditure	Unrestricted	Restricted	2018	2017
	Funds	Funds	£	£
	£	£		
Heat & light	-	-	-	14,196
Rates and water	-	-	-	2,254
Cleaning and security expenses	-	-	-	28,024
Motor and travel expenses	-	-	-	625
Repairs and maintenance	851	-	851	19,949
Telephone	5,585	-	5,585	4,273
Professional fees	11,478	-	11,478	47,841
Legal and insurance charges	19,376	-	19,376	38,609
Accountancy and auditing	11,500	-	11,500	24,020
Depreciation	26,398	-	26,398	77,973
Printing, postage, stationery and literature	18,896	-	18,896	18,182
Consultancy fees	-	-	-	29,825
Bank charges	20	-	20	424
Staff costs	40,791	-	40,791	82,420
Sundry expenses	60	-	60	158
IT expenses	4,888	-	4,888	8,657
Recreational activities/ graduation ceremony	700	-	700	1,960
Advertising	-	-	-	1,419
Subscriptions	3,023	-	3,023	69,561
Books & learning material	6,059	-	6,059	9,873
Rent and business rates	41,096	-	41,096	398,475
	<u>190,721</u>	<u>-</u>	<u>190,721</u>	<u>867,496</u>

London College of Business Studies
Notes to the Accounts
for the period from 1 August 2017 to 31 July 2018

4 Tangible fixed assets

	Land and buildings £	Furniture & Fittings £	Total £
Cost			
At 1 August 2017	-	441,984	441,984
Additions	-	-	-
Disposals	-	-	-
At 31 July 2018	-	441,984	441,984
Depreciation			
At 1 August 2017	-	336,394	336,394
Charge for the period	-	26,398	26,398
On disposals	-	-	-
At 31 July 2018	-	362,792	362,792
Net book value			
At 31 July 2018	-	79,192	79,192
At 1 August 2017	-	105,590	105,590

5 Cash in hand and at bank

Bank - Current account

2018 £	2017 £
252,996	235,438

<u>252,996</u>	<u>235,438</u>
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6 Liabilities: amounts falling due within one year

Trade creditors

(18,352) (4,500)

Other taxes and social security

- (21,932)

Creditors and accruals

- -

<u>(18,352)</u>	<u>(26,432)</u>
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7 Employees

Staff costs

40,790 72,970

Average Number of Employees

3 4

London College of Business Studies
Notes to the Accounts
for the period from 8 February 2016 to 31 July 2017

8 Unrestricted Funds

	At 01 August 2017 £	Incoming Resources £	Outgoing Resources £	At 31 July 2018 £
Unrestricted Funds	380,547	200,510	193,771	387,286

Purpose of Unrestricted Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.