

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 30 November 2019
for
London Churchill College Ltd

FRIDAY



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27/03/2020
COMPANIES HOUSE

Alexander Dave
Chartered Accountants
5 Braemore Court
Cockfosters Road
Herts
EN4 OAE

London Churchill College Ltd

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for the Year Ended 30 November 2019

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London Churchill College Ltd

Company Information

for the Year Ended 30 November 2019

DIRECTORS:

M W I Oli
M R Khan
S A Murshed
B A M N Sakib
M R Chowdhury
Mrs F N Uddin
Dr N R Papé
Dr T Jaquest
P G J Bathmaker

SECRETARY:

M N Uddin

REGISTERED OFFICE:

Barclay Hall
156b Green Street
London
E7 8JQ

REGISTERED NUMBER:

05995926

SENIOR STATUTORY AUDITOR: Atul Dave FCA

AUDITORS:

Alexander Dave
Chartered Accountants
5 Braemore Court
Cockfosters Road
Herts
EN4 OAE

London Churchill College Ltd

Strategic Report
for the Year Ended 30 November 2019

The directors present their strategic report for the year ended 30 November 2019.

VISION, MISSION AND PRINCIPAL ACTIVITY

London Churchill College Limited is a for-profit alternative higher education provider offering HND programmes with a vision to enable students to reach their potential by meeting aspirations of personal, academic, economic and social skills development.

Its mission is to provide the highest quality learning opportunities that meet the specific needs of its students and which promote and enhance self-confidence, develop personal achievement and an enterprising outlook to maximise employability.

As an East London-centered Higher Education provider, the College aims to encourage the widest possible participation of students, in post-16 years old's education, from disadvantaged / underrepresented backgrounds from the East London area, leading to progression into employment or Higher Education, through fostering a culture of student employability and continually seeking to expand its student numbers and enhance its Higher Education portfolio. The College is progressive in vision, inclusive in practice and adaptable in supporting individuals to achieve their potential by delivering a career-focused Higher Education that is accessible to all students.

REVIEW OF PRINCIPAL ACTIVITY

To monitor its progress against its mission and aim, the College monitors the following metrics:

- a) Overall Student Satisfaction (NSS) rate
- b) Percentage of students completing their qualification
- c) Percentage of students achieving their intended qualification
- d) Percentage of students progressing into employment and/or further studies
- e) Overall "Teaching Excellence and Student Outcomes Framework" (TEF) rating.

The Board of Directors of the College is delighted to report that the College's has achieved an overall student satisfaction (NSS) rate of 93.57% (for NSS 2019) which is significantly above the OfS benchmark.

The Board of Directors is pleased to inform that the College has made significant improvements in its retention rate. The data published by HESA (as on 17/02/2020), the College's non-continuation rate has dropped to 12% (the benchmark is 16.8%). This is a significant achievement comparing its performance in the last period (LCC 24.1% as opposed to the benchmark of 15.6%).

According to the HESA data submitted (C17054) by the College, 75% of its students achieved their intended qualifications based on students in the final year outcome population of 267 [(Source: 18/19 HESA AP Submission (HESA data portal, Filename: 0250_01027385.DSCORE)]. According to Unistats, which compares official course data from universities and colleges, 93%, 92% and 70% of its students studying the HND Business, HND Health and Social Care and HND Hospitality Management programmes respectively, go on to work and/or further study (November 2019 Unistats). Up-to-date data is not yet available from DiscoverUni dataset as the College has not yet registered with OfS.

Higher Education Statistics Agency (HESA) has introduced a new Graduate Outcomes record which includes a survey of graduates approximately 15 months after they complete their studies. Total survey population for 2017/2018 graduates is 303, 155 was responded, a response rate of 51%. HESA statistical data release is due in April 2020 where further analysis of graduate destination will be available.

To drive the College performance, many performance indicators at departmental level and supported by delegated departmental budgets have been introduced. We anticipate our performance will be improved in the future.

The College has applied to the Office for Students (OfS) to be an approved higher education provider in England. Until the College receives a positive decision from the OfS, it will not be able recruit any new students who can access student support under the Education (Student Support) Regulations 2011 (as amended). The College anticipates a positive outcome, however, it has set in motion the plan to remain financially and operationally sustainable in the foreseeable future.

Review of Financial Position

The College's financial position remain strong, backed up a solid balance sheet and financially profitable operation. However, the delay in the OfS decision about its approval status means that the College is unable to recruit students for the academic year 2019/20. This had an impact on the College finance as evidenced from the financial statements. We expect the financial effects of the delay in OfS decision, will also impact the next financial year (FY 2020).

The College has set in motion a plan to reduce its expenses and has already undertaken a number of steps to reduce the fixed and variable costs. The College is working hard to strengthen its management and governance arrangements, we anticipate that this will make the College both operationally and financially sustainable.

Governance and Management

Since the adoption of the new Articles of Association in 2019, the College's Board of Directors has been strengthened. The ultimate decision-making powers lie with the Board of Directors, which is responsible for the statutory and strategic oversight of the College. The Board ensures that it meets its fiduciary and regulatory duties and the expectations of the English Higher Education sector as set out in the relevant Act, regulatory framework and code, e.g. Companies Act 2006, Higher Education Code of Governance and Regulatory Framework for Higher Education in England. The Board aims to promote the success of the College, facilitates effective, entrepreneurial and prudent management and delivers the mission and strategic aspirations for the long-term success of LCC.

The Board approves or determines the terms of reference of the Academic Board, the College Oversight Board (COB), and the Audit, Remuneration and Risk Committee (ARRC). The Board receives assurance that academic governance is effective by working with the College Oversight Board. The Board has in place appropriate audit arrangements including a properly constituted Audit, Remuneration and Risk Committee (ARRC), which provides advice to the Board on matters related to remuneration and external audit. The Board reflects and acts upon the advice received from the Audit, Remuneration and Risk Committee (ARRC), the College Oversight Board (COB), and the Academic Board.

To provide transparency and to demonstrate our accountability to both our students and the general public, we ensure our governance and management documents are available in our website. To provide greater level of transparency, we also make available other information, including who has a role in decision-making within LCC (including biography of the directors; declaration of interests of the directors and shareholders with more than 15% shares); persons with significant control (including the significant control register); how we make decisions (including Minutes of the meetings); how we carry out our functions (including terms of references of other management committees); how we monitor the exercise of those functions (including documents on internal and external governance reviews). We also disclose information about other significant areas such as important functions which have been delegated and documents on matters such as management of conflicts of interest, support for freedom of speech or academic freedom.

In April 2019 and October 2019, London Churchill College (LCC) commissioned Advance HE to provide consultancy support to examine the current governance arrangements and staff policies and procedures. The reports confirm that the College is compliant with the Corporate Governance Guidance and Principles for Unlisted Companies in Europe and that there is a clear commitment to improve still. The College has produced an action plan based on the areas for improvements as highlighted in the reports. Most of the actions have already been completed and the other actions which are considered as ongoing are longer term in nature.

Finance and Investment

The College has invested some of its surplus funds into the development of properties, some of which are used as College campuses, while others are not directly connected to the College. The investments were made with the purpose of reducing the operating costs, diversifying income streams and supporting the long-term financial sustainability of the College. To ensure full transparency, the College has in place an explicit investment strategy that sets out its approach to diversification.

The College expects its expenses on estates will be reduced further and its incomes from investments will be increased. The Directors plans further diversification by making investments which can generate positive cash flows for the College over a very long period of time, so to ensure that it is able to meet its commitment to protect students' interests and that it can honour its obligation under its Students' Protection Plan.

Risk Management

The College has in place comprehensive Risk Registers, which set out academic and corporate risks the College faces and the registers outline measures to mitigate the risks. The College has identified its principal risk is related to registration with the OfS. The College has applied to Office for Students (OfS), the Higher Education Regulator, to become an approved provider. Whilst an outcome of the application is still pending, the College is happy to note that it received a limited designation allowing existing students to complete their current programmes. Since the major sources of its operating revenue, expenses and profit are from the academic activity, the College has put in place measures to mitigate risks arising from the any further delays in the OfS decision. The College has maintained an active Risk Register since 2013 and focused this in 2019 by establishing a Corporate Risk Register and an Academic Risk Register, both of which are updated regularly and reviewed by the College Oversight Board annually.

The measures include, non-exclusively, relocation of its campuses. Following the successful designation of two of its owned commercial premises as College campuses, the College plans to to operate all its programmes from these two campuses, thus reducing the fixed operating costs.

The College has recently established the Audit, Remuneration and Risk Committee (ARRC), to advise the Board of Directors on the adequacy and reliability of the processes relating to governance, risk management and financial sustainability of the Company.

The Board of Directors approved the terms of reference for the ARRC, which have incorporated explicit protocols to improve the risk management framework within the College. The College has already appointed the majority members of the ARRC including the Chair, which is comprised entirely of Non-Executive Members. LCC now can now evidence that it has risk management tools and processes in place and that it and it operates comprehensive corporate risk management and control arrangements (including for academic risks) to ensure the sustainability of LCC's operation and its ability to continue to comply with all OfS conditions of registration.

Value for Money

LCC provides sufficient information on a regular basis about how it ensures value for money. It publishes the Value for Money statement on its website, directors' report and accounts including data about the sources of its income and the way that its income is used.

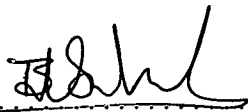
Conclusion

The Board of Directors believes the above measures emplaced support the continued profitable existence of the College and recommend this report to stakeholders and outside parties alike.

London Churchill College Ltd

Strategic Report
for the Year Ended 30 November 2019

ON BEHALF OF THE BOARD:



.....
B A M N Sakib - Director

Date: 20/03/20

London Churchill College Ltd

Report of the Directors
for the Year Ended 30 November 2019

The directors present their report with the financial statements of the company for the year ended 30 November 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of higher education provider.

DIVIDENDS

The total distribution of dividends for the year ended 30 November 2019 will be £150,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2018 to the date of this report.

M W I Oli
M R Khan
S A Murshed
B A M N Sakib
M R Chowdhury
Mrs F N Uddin

Other changes in directors holding office are as follows:

Dr N R Papé - appointed 1 April 2019
Dr T Jaquest - appointed 1 June 2019
P G J Bathmaker - appointed 1 June 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

London Churchill College Ltd


Report of the Directors

for the Year Ended 30 November 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
B A M N Sakib - Director

Date: 20/03/20

Report of the Independent Auditors to the Members of
London Churchill College Ltd

Opinion

We have audited the financial statements of London Churchill College Ltd (the 'company') for the year ended 30 November 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 30 November 2019 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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

Report of the Independent Auditors to the Members of
London Churchill College Ltd

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page seven, 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 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

Report of the Independent Auditors to the Members of
London Churchill College Ltd

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 a Report of the Auditors 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.



Atul Dave FCA (Senior Statutory Auditor)
for and on behalf of Alexander Dave
Chartered Accountants
5 Braemore Court
Cockfosters Road
Herts
EN4 OAE

Date: 25-3-2020

London Churchill College Ltd

Income Statement

for the Year Ended 30 November 2019

	Notes	30.11.19 £	30.11.18 £
TURNOVER		3,806,866	4,480,402
Cost of sales		<u>125,578</u>	<u>164,557</u>
GROSS PROFIT		3,681,288	4,315,845
Administrative expenses		<u>3,019,560</u>	<u>2,902,529</u>
		661,728	1,413,316
Other operating income		<u>-</u>	<u>1,770</u>
OPERATING PROFIT	3	661,728	1,415,086
Interest payable and similar expenses	4	<u>35,325</u>	<u>33,745</u>
PROFIT BEFORE TAXATION		626,403	1,381,341
Tax on profit	5	<u>112,212</u>	<u>210,533</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>514,191</u></u>	<u><u>1,170,808</u></u>

The notes form part of these financial statements

London Churchill College Ltd

Other Comprehensive Income
for the Year Ended 30 November 2019

	Notes	30.11.19 £	30.11.18 £
PROFIT FOR THE YEAR		514,191	1,170,808
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>514,191</u>	<u>1,170,808</u>

The notes form part of these financial statements

Balance Sheet
30 November 2019

	Notes	30.11.19 £	30.11.18 £
FIXED ASSETS			
Tangible assets	7	3,322,598	3,389,017
Investments	8	796,500	631,500
		<u>4,119,098</u>	<u>4,020,517</u>
CURRENT ASSETS			
Debtors	9	225,305	216,458
Cash at bank and in hand		<u>2,634,486</u>	<u>2,439,719</u>
		2,859,791	2,656,177
CREDITORS			
Amounts falling due within one year	10	<u>844,727</u>	<u>862,020</u>
NET CURRENT ASSETS		<u>2,015,064</u>	<u>1,794,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,134,162</u>	<u>5,814,674</u>
CREDITORS			
Amounts falling due after more than one year	11	(871,203)	(913,781)
PROVISIONS FOR LIABILITIES	14	<u>(21,575)</u>	<u>(23,700)</u>
NET ASSETS		<u><u>5,241,384</u></u>	<u><u>4,877,193</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	7,328	7,328
Share premium	16	71,670	71,670
Capital redemption reserve	16	1,491	1,491
Retained earnings	16	<u>5,160,895</u>	<u>4,796,704</u>
SHAREHOLDERS' FUNDS		<u><u>5,241,384</u></u>	<u><u>4,877,193</u></u>

The financial statements were approved by the Board of Directors on
20 MARCH 2020 and were signed on its behalf by:

.....
M R Khan - Director

London Churchill College Ltd

Statement of Changes in Equity
for the Year Ended 30 November 2019

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 December 2017	7,328	3,725,896	71,670	1,491	3,806,385
Changes in equity					
Dividends	-	(100,000)	-	-	(100,000)
Total comprehensive income	-	1,170,808	-	-	1,170,808
Balance at 30 November 2018	7,328	4,796,704	71,670	1,491	4,877,193
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	514,191	-	-	514,191
Balance at 30 November 2019	7,328	5,160,895	71,670	1,491	5,241,384

The notes form part of these financial statements

London Churchill College Ltd

Cash Flow Statement
for the Year Ended 30 November 2019

	Notes	30.11.19 £	30.11.18 £
Cash flows from operating activities			
Cash generated from operations	1	837,416	1,342,330
Finance costs paid		(35,325)	(33,745)
Tax paid		(214,690)	(259,286)
Net cash from operating activities		<u>587,401</u>	<u>1,049,299</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,825)	(80,834)
Purchase of fixed asset investments		(165,000)	(141,500)
Net cash from investing activities		<u>(200,825)</u>	<u>(222,334)</u>
Cash flows from financing activities			
Loan repayments in year		(41,809)	(42,925)
Equity dividends paid		(150,000)	(100,000)
Net cash from financing activities		<u>(191,809)</u>	<u>(142,925)</u>
Increase in cash and cash equivalents		<u>194,767</u>	<u>684,040</u>
Cash and cash equivalents at beginning of year	2	<u>2,439,719</u>	<u>1,755,679</u>
Cash and cash equivalents at end of year	2	<u><u>2,634,486</u></u>	<u><u>2,439,719</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 November 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	30.11.19	30.11.18
	£	£
Profit before taxation	626,403	1,381,341
Depreciation charges	102,244	119,382
Finance costs	35,325	33,745
	<hr/>	<hr/>
	763,972	1,534,468
(Increase)/decrease in trade and other debtors	(8,847)	70,976
Increase/(decrease) in trade and other creditors	82,291	(263,114)
	<hr/>	<hr/>
Cash generated from operations	837,416	1,342,330
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 November 2019

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	2,634,486	2,439,719
	<hr/>	<hr/>

Year ended 30 November 2018

	30.11.18	1.12.17
	£	£
Cash and cash equivalents	2,439,719	1,755,679
	<hr/>	<hr/>

Notes to the Financial Statements
for the Year Ended 30 November 2019

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixture and fittings	33% reducing balance
Computer equipment	33% on cost
<u>Land and Buildings</u>	
Land	Nil
Freehold Building Structure	100 years
<u>Components of Buildings</u>	
Roof	30 years
Windows and doors	25 years
Lift	30 years

At each balance sheet date, the company reviews the carrying amount of its tangible assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indications exist, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs,

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

1. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2. **EMPLOYEES AND DIRECTORS**

	30.11.19	30.11.18
	£	£
Wages and salaries	1,636,380	1,544,433
Social security costs	107,271	93,282
Other pension costs	21,960	12,447
	<u>1,765,611</u>	<u>1,650,162</u>

The average number of employees during the year was as follows:

	30.11.19	30.11.18
Directors	6	6
Admin	38	33
Teachers	30	37
	<u>74</u>	<u>76</u>

No employees received emoluments (salaries, benefits and pension) in excess of £100,000 for the year ended 30 November 2019 nor for the year ended 30 November 2018.

	30.11.19	30.11.18
	£	£
Directors' remuneration	182,574	182,350
Directors' pension contributions to money purchase schemes	<u>3,956</u>	<u>2,361</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.11.19	30.11.18
	£	£
Hire of plant and machinery	22,237	27,447
Other operating leases	429,147	457,984
Depreciation - owned assets	102,244	119,382
Auditors' remuneration	<u>8,094</u>	<u>7,359</u>

4. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.11.19	30.11.18
	£	£
Mortgage interest	<u>35,325</u>	<u>33,745</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.11.19 £	30.11.18 £
Current tax:		
UK corporation tax	114,337	214,691
Deferred tax	(2,125)	(4,158)
Tax on profit	<u>112,212</u>	<u>210,533</u>

6. **DIVIDENDS**

	30.11.19 £	30.11.18 £
Final	<u>150,000</u>	<u>100,000</u>

7. **TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Improvements to property £
COST			
At 1 December 2018	2,201,912	796,337	431,084
At 30 November 2019	<u>2,201,912</u>	<u>796,337</u>	<u>431,084</u>
DEPRECIATION			
At 1 December 2018	97,715	30,398	45,950
Charge for year	28,052	9,755	15,805
At 30 November 2019	<u>125,767</u>	<u>40,153</u>	<u>61,755</u>
NET BOOK VALUE			
At 30 November 2019	<u>2,076,145</u>	<u>756,184</u>	<u>369,329</u>
At 30 November 2018	<u>2,104,197</u>	<u>765,939</u>	<u>385,134</u>

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 December 2018	284,720	323,218	4,037,271
Additions	3,000	32,825	35,825
At 30 November 2019	<u>287,720</u>	<u>356,043</u>	<u>4,073,096</u>
DEPRECIATION			
At 1 December 2018	193,653	280,538	648,254
Charge for year	31,356	17,276	102,244
At 30 November 2019	<u>225,009</u>	<u>297,814</u>	<u>750,498</u>
NET BOOK VALUE			
At 30 November 2019	<u>62,711</u>	<u>58,229</u>	<u>3,322,598</u>
At 30 November 2018	<u>91,067</u>	<u>42,680</u>	<u>3,389,017</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

8. **FIXED ASSET INVESTMENTS**

	30.11.19	30.11.18
	£	£
Shares in group undertakings	10,100	10,100
Loans to group undertakings	786,400	621,400
	<u>796,500</u>	<u>631,500</u>

Additional information is as follows:

	Shares in group undertakings £
COST	
At 1 December 2018	
and 30 November 2019	<u>10,100</u>
NET BOOK VALUE	
At 30 November 2019	<u>10,100</u>
At 30 November 2018	<u>10,100</u>
	Loans to group undertakings £
At 1 December 2018	621,400
New in year	165,000
At 30 November 2019	<u>786,400</u>

Details of the Investments in which the company hold 20% or more of the nominal value of any class of share capital are as follows:

Name of Company	Holding	Proportion of voting rights and shares held	Nature of business
LCC Investments Limited	Ordinary Shares	100%	Printing Property letting and management services
MRST Investments Ltd	Ordinary Shares	100%	

Investments in subsidiaries are not listed and held at costs less impairment as Fair Value can not be reliably measured.

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.19	30.11.18
	£	£
Trade debtors	120,200	86,244
Other debtors	64,443	74,263
Prepayments and accrued income	40,662	55,951
	<u>225,305</u>	<u>216,458</u>

London Churchill College Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.19 £	30.11.18 £
Bank loans and overdrafts (see note 12)	43,818	43,049
Trade creditors	74,403	155,949
Tax	114,338	214,691
Social security and other taxes	27,685	29,441
Deferred income	486,580	389,340
Accrued expenses	97,903	29,550
	<u>844,727</u>	<u>862,020</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.11.19 £	30.11.18 £
Bank loans (see note 12)	<u>871,203</u>	<u>913,781</u>

The bank loan is secured against the freehold land and buildings by a first legal charge and an unlimited debenture from London Churchill College Limited.

12. LOANS

An analysis of the maturity of loans is given below:

	30.11.19 £	30.11.18 £
Amounts falling due within one year or on demand:		
Bank loans	<u>43,818</u>	<u>43,049</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>44,808</u>	<u>43,049</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>140,425</u>	<u>137,762</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 yrs	<u>685,970</u>	<u>732,970</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.11.19 £	30.11.18 £
Within one year	124,787	-
Between one and five years	-	469,740
	<u>124,787</u>	<u>469,740</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

14. PROVISIONS FOR LIABILITIES

	30.11.19 £	30.11.18 £
Deferred tax		
Accelerated capital allowances	(1,636)	(1,636)
Deferred tax	23,211	25,336
	<u>21,575</u>	<u>23,700</u>
		Deferred tax
		£
Balance at 1 December 2018		23,700
Utilised during year		(2,125)
Balance at 30 November 2019		<u>21,575</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.11.19 £	30.11.18 £
7,328	Ordinary	£1	<u>7,328</u>	<u>7,328</u>

16. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 December 2018	4,796,704	71,670	1,491	4,869,865
Profit for the year	514,191			514,191
Dividends	(150,000)			(150,000)
At 30 November 2019	<u>5,160,895</u>	<u>71,670</u>	<u>1,491</u>	<u>5,234,056</u>

17. RELATED PARTY DISCLOSURES

During the year under review Dr N R Papé one of the directors of the company received £33,000 against services provided as Principal of the College.

18. ULTIMATE CONTROLLING PARTY

Directors are collectively controlled the company.

London Churchill College Ltd

Trading and Profit and Loss Account
for the Year Ended 30 November 2019

	30.11.19		30.11.18
	£	£	£
Sales	3,806,866		4,480,402
Cost of sales			
Licensing fees	125,578		164,557
GROSS PROFIT	3,681,288		4,315,845
Other income			
Sundry receipts	-		1,770
	3,681,288		4,317,615
Expenditure			
Rent	429,147		457,984
Light and heat	31,783		42,580
Directors' salaries	182,574		182,350
Directors' social security	18,048		17,812
Directors' pension contributions	3,956		2,361
Wages and subcontractor fees	1,453,806		1,362,083
Social security	89,223		75,470
Pensions	18,004		10,086
Hire of plant and machinery	22,237		27,447
Telephone	21,361		14,983
Post and stationery	41,210		29,478
Advertising and marketing expenses	116,680		136,671
Travelling	8,272		20,484
Licences and insurance	10,342		23,097
Repairs and renewals	45,631		34,354
IT expenses	57,687		68,524
Books and libraries expenses	37,546		32,972
Sundry expenses	3,686		8,538
Accountancy	5,233		6,154
Legal and professional fees	200,862		151,341
Auditors' remuneration	8,094		7,359
Depreciation of tangible fixed assets			
Freehold property	28,052		28,052
Long leasehold	9,755		9,755
Improvements to property	15,805		15,805
Fixtures and fittings	31,356		45,533
Computer equipment	17,276		20,237
Entertainment	1,304		1,454
Bad debts	14,500		-
Staff training and welfare	18,509		34,627
Student welfare	75,123		32,600
	3,017,062		2,900,191
	664,226		1,417,424
Finance costs			
Bank charges	2,498		2,338
Mortgage interest	35,325		33,745
	37,823		36,083
NET PROFIT	626,403		1,381,341

This page does not form part of the statutory financial statements