

Company Registration No. 06683232 (England and Wales)

**LONDON BROOKES COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# LONDON BROOKES COLLEGE

## COMPANY INFORMATION

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<b>Directors</b>	Mr I Ahmed Mr Iqan Ahmed Mr Saqlan Ahmed Mrs Unaiza Ahmed Mrs Aqsa Hassen
<b>Company number</b>	06683232
<b>Registered office</b>	42 The Burroughs London NW4 4AP
<b>Auditor</b>	ZAM Mushtaq Ltd First Floor 2 Woodberry Grove London N12 0DR

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# LONDON BROOKES COLLEGE

## CONTENTS

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	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Income and expenditure account	5
Balance sheet	6
Statement of cash flows	7
Notes to the financial statements	8 - 13

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# LONDON BROOKES COLLEGE

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 MARCH 2021*

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

### **Principal activities**

The principal activity of the company continued to be that of providing education to GCSE and GCE A- level students.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I Ahmed  
Mr Iqan Ahmed  
Mr Saqlan Ahmed  
Mrs Unaiza Ahmed  
Mrs Aqsa Hassen

### **Auditor**

The auditor, ZAM Mushtaq Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

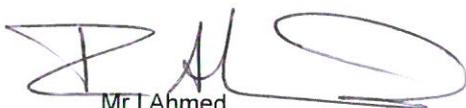
### **Going Concern**

The directors note the uncertainty arising from COVID-19 and believe the company's financial statements should be prepared on a going concern basis for a period of at least 12 months from the date of approval of these financial statements,

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr I Ahmed

**Director**

30 September 2021

# **LONDON BROOKES COLLEGE**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors are responsible for preparing the annual 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 of the surplus or deficit 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 BROOKES COLLEGE

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LONDON BROOKES COLLEGE

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#### Opinion

We have audited the financial statements of London Brookes College (the 'company') for the year ended 31 March 2021 which comprise the income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 surplus 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# LONDON BROOKES COLLEGE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LONDON BROOKES COLLEGE

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### 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 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Tariq Mushtaq (Senior Statutory Auditor)**  
For and on behalf of ZAM Mushtaq Ltd

30 September 2021

**Chartered Certified Accountants**  
**Statutory Auditor**

First Floor  
2 Woodberry Grove  
London  
N12 0DR

# LONDON BROOKES COLLEGE

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

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	2021 £	2020 £
<b>Income</b>	1,023,001	1,277,364
Cost of sales	(693,303)	(793,338)
	<hr/>	<hr/>
<b>Gross surplus</b>	329,698	484,026
Administrative expenses	(334,029)	(328,213)
Other operating income	369,076	102,072
	<hr/>	<hr/>
<b>Operating surplus</b>	364,745	257,885
Interest payable and similar expenses	(31,380)	(26,848)
	<hr/>	<hr/>
<b>Surplus before taxation</b>	333,365	231,037
Tax on surplus	-	-
	<hr/>	<hr/>
<b>Surplus for the financial year</b>	<u>333,365</u>	<u>231,037</u>

# LONDON BROOKES COLLEGE

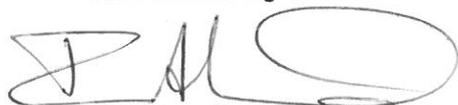
## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		2,566,678		2,283,273
<b>Current assets</b>					
Debtors	5	218,106		255,801	
Cash at bank and in hand		443,306		244,113	
		<u>661,412</u>		<u>499,914</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(356,555)</u>		<u>(246,315)</u>	
<b>Net current assets</b>			<u>304,857</u>		<u>253,599</u>
<b>Total assets less current liabilities</b>			<u>2,871,535</u>		<u>2,536,872</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(897,447)</u>		<u>(896,149)</u>
<b>Net assets</b>			<u><u>1,974,088</u></u>		<u><u>1,640,723</u></u>
<b>Reserves</b>					
Income and expenditure account			<u>1,974,088</u>		<u>1,640,723</u>
<b>Members' funds</b>			<u><u>1,974,088</u></u>		<u><u>1,640,723</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:



Mr I Ahmed  
Director

Company Registration No. 06683232

# LONDON BROOKES COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	12	493,597		245,564	
Interest paid		(31,380)		(26,848)	
		<hr/>		<hr/>	
<b>Net cash inflow from operating activities</b>		462,217		218,716	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(314,323)		(1,098,014)	
		<hr/>		<hr/>	
<b>Net cash used in investing activities</b>		(314,323)		(1,098,014)	
<b>Financing activities</b>					
Increase/ (Repayment) of bank loans		51,299		450,222	
		<hr/>		<hr/>	
<b>Net cash generated from financing activities</b>		51,299		450,222	
		<hr/>		<hr/>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		199,193		(429,076)	
Cash and cash equivalents at beginning of year		244,113		673,189	
		<hr/>		<hr/>	
<b>Cash and cash equivalents at end of year</b>		443,306		244,113	
		<hr/> <hr/>		<hr/> <hr/>	

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

London Brookes College is a private company limited by guarantee incorporated in England and Wales. The registered office is 42 The Burroughs, London, NW4 4AP.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% Straight Line
Fixtures and fittings	25% reducing balance

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

#### 1.4 Impairment of fixed assets

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

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

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

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

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

#### 1.5 Cash and cash equivalents

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

#### 1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

#### 1.7 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.8 Employee benefits

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

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

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

#### 1.9 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.10 Government grants

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

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

#### 1.11 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Employees

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

	2021 Number	2020 Number
Total	17	21

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	2,317,015	51,057	2,368,072
Additions	314,323	-	314,323
At 31 March 2021	<u>2,631,338</u>	<u>51,057</u>	<u>2,682,395</u>
<b>Depreciation and impairment</b>			
At 1 April 2020	41,654	43,145	84,799
Depreciation charged in the year	28,940	1,978	30,918
At 31 March 2021	<u>70,594</u>	<u>45,123</u>	<u>115,717</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>2,560,744</u>	<u>5,934</u>	<u>2,566,678</u>
At 31 March 2020	<u>2,275,361</u>	<u>7,912</u>	<u>2,283,273</u>

Freehold land and buildings with a carrying amount of £2,560,744 (2020 - £2,275,361) have been pledged to secure borrowings of the company.

### 5 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	218,106	255,801
	<u>218,106</u>	<u>255,801</u>

### 6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	158,197	108,196
Trade creditors	71,377	81,443
Taxation and social security	39,484	19,794
Other creditors	87,497	36,882
	<u>356,555</u>	<u>246,315</u>

Freehold land and buildings with a carrying amount of £2,560,744 (2020 - £2,275,361) have been pledged to secure borrowings of the company. The bank provided support during the year by providing repayment holidays which lasted throughout the year. Repayments recommenced after the year-end.

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	897,447	896,149

Freehold land and buildings with a carrying amount of £2,560,744 (2020 - £2,275,361) have been pledged to secure borrowings of the company. The bank provided support during the year by providing repayment holidays which lasted throughout the year. Repayments recommenced after the year-end

### 8 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,055,644	1,004,345
Payable within one year	158,197	108,196
Payable after one year	897,447	896,149

### 9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

### 10 Operating lease commitments

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

	2021 £	2020 £
	378,000	378,000

### 11 Related party transactions

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

Mr Ishtiaq Ahmed is the owner of the property 42 The Burroughs, Hendon, London. The College leases the building on a rolling 5 year contract paying a sum of £75,600 per annum. The contract started 1/12/18.

# LONDON BROOKES COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Cash generated from operations

	2021 £	2020 £
Surplus for the year after tax	333,365	231,037
<b>Adjustments for:</b>		
Finance costs	31,380	26,848
Depreciation and impairment of tangible fixed assets	30,918	25,607
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	37,695	(60,134)
Increase in creditors	60,239	22,206
<b>Cash generated from operations</b>	<u>493,597</u>	<u>245,564</u>

### 13 Analysis of changes in net debt

	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	244,113	199,193	443,306
Borrowings excluding overdrafts	(1,004,345)	(51,299)	(1,055,644)
	<u>(760,232)</u>	<u>147,894</u>	<u>(612,338)</u>