

**Company Registration No. 00193170 (England and Wales)**

**NORLAND COLLEGE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2016**

# NORLAND COLLEGE LIMITED

## COMPANY INFORMATION

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**Directors**

Mr M Clarke (Chairman) MA FCA D, Univ FRSA  
Reverend A Claridge LRAM DipED MA  
Mrs C Mills BA IHSM  
Mrs J Gaskell NNEB RSH BA (Hons) EYPS  
Ms R Edwards BTEC HND  
Ms K England FCIPD  
Mr P Hymans BSc Msc PGCert Cert Ed CEng MIMinE  
Mr M A Bray FCMA  
Mr C Jerram FRICS

**Company number** 00193170

**Registered office**

York Villa  
York Place  
London Road  
Bath  
Somerset  
BA1 6AE

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

**Bankers**

NatWest Bank Plc  
119 High Street  
Hungerford  
Berkshire  
RG17 0LX

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# **NORLAND COLLEGE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2016**

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#### **NATURE, OBJECTIVES AND STRATEGIES**

The directors present the strategic report and financial statements for the year ended 31 July 2016.

#### **Change of Name and Accounting Period**

During the prior 11 month period ended 31 July 2015 the company changed its name from Norland Nursery Training College Limited to Norland College Limited and also changed its accounting reference date from 31 August to 31 July. No similar changes were made in the year ended 31 July 2016. Comparative figures are shown for the 11 month period ended 31 July 2015.

#### **Principal Activities**

The principal activity of the company is the provision of Higher Education degrees in Early Years Education and the practical skills gained through the Norland Diploma. The Norland Diploma is a distinctive and prestigious qualification which is studied alongside the degree course. All students must successfully complete not only their degree but also each element of the Norland Diploma in order to use the title 'Norlander'. The company also provides employment agency services for Norland qualified staff, and corporate training and consultancy services within the Early Years sector.

#### **Results and Dividends**

The profit for the year after taxation amounted to £449,317 (2014/15: £411,257). The members, who are all directors, derive no benefit from their shares, with any profits being reinvested for the benefit of the College. The Articles of Association prevent the company from declaring or paying any dividends. They also prevent asset distribution to any of its members.

#### **Mission**

The College's mission statement was reviewed and approved by the Directors in January 2013. The mission is:

'Norland College will provide the very best Early Years education and training for its students and graduates, giving them the knowledge, experience and skills to maximise their own potential and that of the children in their care.

Norland Agency will provide a bespoke recruitment service satisfying the highest expectations of clients and ensuring financial stability.'

#### **Implementation of the Strategic Plan**

In October 2014 the college renewed the strategic plan for the period to July 2017. The College's strategic aims are:

- To provide an inspirational learning environment that delivers quality and uniqueness within the curriculum
- To place research and scholarly activity at the heart of all we do
- To develop a culture that focuses on employability, continuing professional development and lifelong support
- To manage the College's resources effectively and align them to our academic ambitions
- To make a commitment to sustainability and environmental improvement.

A series of performance indicators have been agreed to monitor the successful implementation of the strategic plan and financial objectives including student applications, offers, retention and success rates; student and staff satisfaction surveys; achievement of budgets set. The College is on target for achieving these objectives.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

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### Financial Objectives

The college's financial objectives are:

- To secure the College's financial health and security by growth and diversification of income
- To seek cost efficiencies and focus on value for money
- To maintain sufficient reserves to ensure financial sustainability

### FINANCIAL POSITION

#### Financial results

The College had an operating surplus in the year of £549,391 (2014/2015: operating surplus £320,335) from continuing activities. It had no discontinued operations in 2015/2016 (2014/2015: nil). After taking investment income, similar income, asset disposal and corporation tax payable into account, the College had a profit for the year of £449,317 (2014/2015: profit of £411,257).

At the balance sheet date, the College has accumulated profit reserves of £4,701,174 (2014/2015: £3,857,486) and cash balances of £1,457,626 (2014/2015: £1,232,089).

Tangible fixed asset additions during the year amounted to £1,205,163 (2014/15: £170,188) split between equipment purchases of £121,947 (2014/15: £64,992) and assets in the course of construction £1,083,216 (2014/15: £105,196). Further capital commitments of £1,989,541 (2014/15: £175,094) for assets in the course of construction are due after the year end.

The College disposed of investments for £1,073,392 (2014/15: £348,805) during the year to fund the tangible asset improvements. Revaluation of remaining investments resulted in a year end market value of £1,186,800 (2014/2015: £2,202,833), the revaluation reserve being £591,902 (2014/2015: £928,914).

#### Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College's treasury management policy is incorporated within its Financial Regulations.

#### Cash flows

The College had an increase in cash in the year of £225,537 (2014/15: increase of £678,715) and a net cash inflow from operating activities of £375,945 (2014/15: inflow £440,058). Cash is being carefully managed to minimise external support (where possible) to part fund the current accommodation strategy.

#### Liquidity

The College has no borrowings. During the year the College disposed of investments for £1,073,392 (2014/15: £348,805). These funds are earmarked towards the College's accommodation strategy, and reflected in its assets in the course of construction. The College cash balance of £1,457,626 (2014/15: £1,232,089) at the year-end supports a sound position of liquidity.

### CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

In 2015/16, Norland delivered two courses – BA (Hons) Early Years Development and Learning (EYDL) 3 year full time programme and the final year of the BA (Hons) Level 6 Early Childhood Studies (ECS) 2 year part time top up programme. The Early Childhood Studies programme is discontinuing, being replaced by the Early Years Development and Learning programme.

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# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### Student numbers

Student numbers continue to increase as more first year students are recruited. Student numbers for 2015/2016 were as follows:

	Enrolled for 2015/16	Withdrawn/discontinued	Completed 2015/16 year
First Years (EYDL)	89	5	84
Second Years (EYDL)	69	1	68
Third Years (EYDL)	59	0	59
Third Years (ECS)	35	0	35

Student intake in the current academic year (2016/17) has again risen, with 90 first years currently on programme.

#### Student Achievements & Curriculum Developments

Retention on the new BA EYDL programme remains strong, with 100% of third years, 99% of second years and 94% of first years continuing their studies throughout 2015/16. This compares very favourably with similar courses in other institutions. Of note is the significant improvement in retention and classifications for Set 37, our first cohort to complete the new 3 year, full time degree programme. 94% of those who enrolled on the programme achieved an Honours Degree, compared to 70% the previous year. 64% of those completing achieved a first or 2:1, compared the 40% during the previous year. These statistics clearly justify the decision to move to the full time, three year degree. The Norland Diploma has been reviewed and re-written so that there is better integration with the degree programme. In addition, placements have been re-organised so that they offer a more consistent and coherent experience for the students.

A strong focus on student engagement has ensured that students are involved and engaged in their learning and teaching and this has a very positive impact on their retention and achievement.

#### Other Activities

The Norland Agency increased its market position and reported turnover of £283,015 (2014/2015: £210,200), utilising effective marketing strategies and capitalising on the current positive media interest surrounding Norland. In addition, income from placing Newly Qualified Nannies (NQN) was £28,463 (2014/2015: £41,196), and it is expected that this income line will increase considerably in 16/17 as we place our first cohort of graduates from our BA (Hons) Early Years Development and Learning (EYDL) 3 year full time programme.

Other important activities relate to our corporate training courses for established UK and overseas companies, Continuing Professional Development (CPD) courses for qualified Norlanders and consultancy work. These areas of activity had a total turnover for the year of £162,581 (2014/2015: £188,957).

#### Future Developments

Our building programme at Oldfield Park, Bath continues in 2015-2016 to replace some of our current rented accommodation and to provide additional space to meet our growth. As a temporary solution to the immediate need for space, a temporary building was erected at York Place, Bath providing two bright and spacious teaching rooms, an additional well equipped student common room and office space for teaching and support staff.

Norland is actively pursuing degree awarding powers, and an application is expected to be submitted to HEFCE next year. Norland continues to investigate charitable status, as a way of ensuring corporate security for the long term.

Norland welcomed a new Principal in July 2016, Dr Janet Rose MA, PhD, PGCE, FHEA.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### PRINCIPAL RISKS AND UNCERTAINTIES:

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Board of Directors undertakes a comprehensive review of the risks to which the College is exposed. It identifies systems and procedures, including specific preventable actions which should mitigate the potential impact on the College. The internal controls are then implemented and subsequent appraisals will review their effectiveness and progress against risk mitigation actions. In addition to the review, the Directors will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A comprehensive risk register is maintained which is reviewed at all Departmental, Senior Leadership Team (SLT), Committee and Board meetings. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the College. Not all of the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

#### 1. Student Loan funding

As a private college, Norland College is an alternative provider of Higher Education degree courses for student funding purposes. Students of the College have considerable reliance on continued government funding through access to student loans and grants. In 2015/16 the majority of the students at the College were eligible and accessed student funding and this level of requirement is expected to continue. Rules for alternative suppliers were updated by HEFCE in August 2014 which requires providers to meet three criteria for their courses to be specifically designated for student support for the academic year 2016-2017.

The criteria are:

- Quality assurance
- Course eligibility
- Financial sustainability, management and governance

A full application has been submitted and we are awaiting a final decision from the Department for Business, Innovation and Skills (BIS). Whilst the college is confident of the outcome, there can be no assurance that this will be forthcoming. Also there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training
- By placing considerable focus and investment on maintaining and managing key relationships with the University of Gloucestershire, which validates our degree courses
- By reviewing and developing our corporate governance and financial management processes
- By seeking to attract additional students who are outside the 'Higher Education in Alternative Providers' population, e.g. students who have not been resident in the UK for 3 years.

#### 2. Downturn in operating performance

A downturn in operating performance could put the College into loss and the resulting reduction in financial resources could adversely affect student morale and retention, quality systems and the quality of the educational environment.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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This risk is mitigated in a number of ways:

- Preparation and review of monthly accounts and cash flows, for internal College management purposes
- Preparation of academic term accounts and forecasts for the Finance Committee and Board of Directors
- Monthly and academic term assessment of risks to the projected outturn for the year.

#### 3. Inadequate classroom space and poor student facilities

College student numbers continue to grow. The current accommodation at York Place (including our newly installed temporary building) is nearing full capacity. Additional growth demands additional high quality accommodation. A clear strategy is in place to address this need, and work is well under way at Oldfield Park, Bath, however the risk of delay, financial considerations and operational difficulties in any significant build programme are very real.

This risk is mitigated in a number of ways:

- Estates Committee oversees and monitors the strategy
- An individual Project Group meets to direct the strategy at project level, and reports
- Any project delays are identified, and short term measures are in place to address
- Board of directors are regularly updated
- Financial reserves are carefully managed & appropriately conserved.

## GOVERNANCE AND INTERNAL CONTROL

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

Mr M Clarke (Chairman) MA FCA D.Univ FRSA  
Reverend A Claridge (Vice Chairman) LRAM Dip. Ed MA  
Mrs C Mills BA AIHSM  
Ms J Gaskell NNEB RSH BA (Hons) EYPS  
Ms R Edwards BTEC HND  
Ms K England FCIPD  
Mr P Hymans BSc MSc PGCert Cert Ed CEng MIMinE  
Mr C Jerram FRICS  
Mr M A Bray FCMA

It is the Directors' responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Directors are provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Directors meet at least 4 times per academic year.

The Company conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Directors. During the year to 31st July 2016 the Company had the following committees which met each term:

- Finance
- Quality Enhancement
- Estates
- Communications
- Health & Safety.

All Directors are able to take independent professional advice in furtherance of their duties at the College's expense. Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

# **NORLAND COLLEGE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2016**

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The Directors are all independent non-executives and no individual or group dominates its decision-making process. The Company considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Directors and the Senior Leadership team of the College are separate.

#### **Appointment of Directors**

Any new appointments are a matter for the consideration of the Board of Directors as a whole. The Board of Directors are responsible for ensuring that appropriate training is provided as required.

#### **Remuneration Decisions**

It is the responsibility of the Board of Directors to agree the remuneration and benefits of the Principal. The Directors do not receive remuneration for their services as Directors.

#### **Finance Committee**

The Finance Committee comprises four members of the Board of Directors, the Principal and the Head of Finance and operates in accordance with written terms of reference approved by the Board.

The Finance Committee meets at least four times per year and provides a forum for reporting by the Principal and the Head of Finance of the College. In addition the College's external auditors have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from other external bodies such as investment managers and banks that may affect the College's business.

Senior management is responsible for the implementation of agreed audit recommendations and the Committee undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Finance Committee also advises the College on the appointment of auditors and their remuneration for both audit and non-audit work.

#### **Quality Enhancement Committee**

The purpose of the Quality Enhancement Committee (QEC) is to oversee Norland College academic activities. The QEC monitors the Academic Operational Plan and reports to the Board of Directors, making recommendations to the Board for action. The QEC ensures that the Board is advised on all matters relating to academic standards and achievements.

The QEC membership consists of three Directors, the Principal and Vice-Principal.

#### **Estates Committee**

The purpose of the Estates Committee is to report to the Board of Directors on the development and management of Norland College property in support of the Strategic Plan. The Estates Committee meets at least four times per year in advance of the termly meeting of the Board of Directors and at such other time or place as may be determined by the Chair of the Committee.

The membership consists of four Directors, the Principal, Vice-Principal, Head of HR and the Head of Finance & Estates.



# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### **Communications Committee**

The purpose of the Communications Committee is to ensure the College's communications policy and procedures are relevant and effective, and to assist in their implementation and review.

The Committee reports to the Board and the membership consists of two Directors, the Principal, Head of Commercial and Communications (CCS), Head of Human Resources (HR) and a staff representative.

#### **Health & Safety Committee**

The purpose of the Health & Safety Committee is to ensure that the College's health, safety, welfare and security policies, procedures and practices are relevant and effective, and to assist in their implementation and review. The committee reports to the Board of Directors and is comprised of one Director, the Principal, Head of HR and the Fire Safety Officer, together with student and staff representatives.

#### **Internal control**

##### *Scope of responsibility*

The Directors are ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors have delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the College's funds and assets for which she is responsible. She is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

##### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2016 and up to the date of approval of the report and accounts for the accounting year.

##### *Capacity to handle risk*

The Directors have reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2016 and up to the date of approval of the report and accounts. This process is regularly reviewed by the Directors.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### *The risk and control framework*

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Directors
- regular reviews by the Directors of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

#### *Review of effectiveness*

The Principal has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's auditors in their management letters and other reports.

The Principal has been advised by the Finance Committee on the implications of the result of her review of the effectiveness of the system of internal control, and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

The SLT receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by appropriate training. All Committees also receive regular reports from the Head of Finance, which includes recommendations for improvement. The Committee's role in this area is confined to a high-level review of the arrangements for internal control. All Board of Director's agendas includes items for consideration of risk and control and Directors receive reports thereon from the SLT and the Committees. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

#### **Going Concern**

After making appropriate enquiries, the Directors consider that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Signed on behalf of the board



Mr M Clarke (Chairman) MA FCA D, Univ FRSA

Director

12/12/16.....

# NORLAND COLLEGE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2016

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The directors present their annual report and financial statements for the year ended 31 July 2016.

#### Directors

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

Mr M Clarke (Chairman) MA FCA D, Univ FRSA  
Reverend A Claridge LRAM DipED MA  
Mrs C Mills BA IHSM  
Mrs J Gaskell NNEB RSH BA (Hons) EYPS  
Ms R Edwards BTEC HND  
Ms K England FCIPD  
Mr P Hymans BSc Msc PGCert Cert Ed CEng MIMinE  
Mr M A Bray FCMA  
Mr C Jerram FRICS

#### Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

On behalf of the board



Mr M Clarke (Chairman) MA FCA D, Univ FRSA

Director

12/12/16

# **NORLAND COLLEGE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JULY 2016**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORLAND COLLEGE LIMITED

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We have audited the financial statements on pages 12 to 30. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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.



Christopher Mantel (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants

Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

15/12/16

# NORLAND COLLEGE LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2016

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		Year ended 31 July 2016 £	Period ended 31 July 2015 £
Turnover	Notes 3	3,414,212	2,428,355
Administrative expenses		(2,864,821)	(2,108,020)
<b>Operating profit</b>	<b>4</b>	<b>549,391</b>	<b>320,335</b>
Interest receivable and similar income	6	54,535	63,187
Interest payable and similar charges	7	-	(7)
Other gains and losses	8	(69,601)	(621)
<b>Profit on ordinary activities before taxation</b>		<b>534,325</b>	<b>382,894</b>
Taxation	9	(85,008)	28,363
<b>Profit for the financial year</b>	<b>19</b>	<b>449,317</b>	<b>411,257</b>

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# NORLAND COLLEGE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2016

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	<b>Year ended 31 July 2016 £</b>	<b>Period ended 31 July 2015 £</b>
<b>Profit for the year</b>	449,317	411,257
<b>Other comprehensive income net of taxation</b>		
Adjustments to the fair value of financial assets	57,359	124,356
<b>Total comprehensive income for the year</b>	<u>506,676</u>	<u>535,613</u>

**NORLAND COLLEGE LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		2,636,629		1,574,637
Investments	11		1,186,800		2,202,833
			<u>3,823,429</u>		<u>3,777,470</u>
<b>Current assets</b>					
Stocks	12	11,489		8,053	
Debtors	13	700,104		298,362	
Cash at bank and in hand		1,457,626		1,232,089	
		<u>2,169,219</u>		<u>1,538,504</u>	
<b>Creditors: amounts falling due within one year</b>	14	(536,938)		(371,039)	
<b>Net current assets</b>			<u>1,632,281</u>		<u>1,167,465</u>
<b>Total assets less current liabilities</b>			<u>5,455,710</u>		<u>4,944,935</u>
<b>Provisions for liabilities</b>	16		(162,583)		(158,484)
<b>Net assets</b>			<u><u>5,293,127</u></u>		<u><u>4,786,451</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		51		51
Revaluation reserve	19		591,902		928,914
Profit and loss reserves	19		4,701,174		3,857,486
<b>Total equity</b>			<u><u>5,293,127</u></u>		<u><u>4,786,451</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12/12/16 and are signed on its behalf by:



Mr M Clarke (Chairman) MA FCA D, Univ FRSA  
Director



# NORLAND COLLEGE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2016

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 September 2014</b>	51	903,178	3,347,609	4,250,838
<b>Period ended 31 July 2015:</b>				
Profit for the period	-	-	411,257	411,257
Other comprehensive income net of taxation: Adjustments to fair value of financial assets	-	124,356	-	124,356
Total comprehensive income for the period	-	124,356	411,257	535,613
Other	-	(98,620)	98,620	-
<b>Balance at 31 July 2015</b>	51	928,914	3,857,486	4,786,451
<b>Period ended 31 July 2016:</b>				
Profit for the period	-	-	449,317	449,317
Other comprehensive income net of taxation: Adjustments to fair value of financial assets	-	57,359	-	57,359
Total comprehensive income for the period	-	57,359	449,317	506,676
Transfers	-	(394,371)	394,371	-
<b>Balance at 31 July 2016</b>	51	591,902	4,701,174	5,293,127

# NORLAND COLLEGE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		375,945		440,058
Interest paid			-		(7)
Income taxes paid			(4,155)		(4,935)
			<u>371,790</u>		<u>435,116</u>
<b>Net cash inflow from operating activities</b>					
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,205,163)		(170,188)	
Proceeds on disposal of tangible fixed assets		584		2,416	
Proceeds on disposal of fixed asset investments		1,003,791		224,449	
Proceeds from other investments and loans		-		123,735	
Interest received		7,307		16,055	
Dividends received		47,228		47,132	
		<u>(146,253)</u>		<u>243,599</u>	
<b>Net cash (used in)/generated from investing activities</b>					
<b>Net cash used in financing activities</b>					
			<u>-</u>		<u>-</u>
<b>Net increase in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of year			1,232,089		553,374
			<u>1,457,626</u>		<u>1,232,089</u>
<b>Cash and cash equivalents at end of year</b>					

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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### 1 Accounting policies

#### Company information

Norland College Limited is a private company limited by shares incorporated in England and Wales. The registered office is York Villa, York Place, London Road, Bath, Somerset, BA1 6AE.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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.

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 investments. The principal accounting policies adopted are set out below.

The directors have elected to apply the amended FRS102 accounting standards before the mandatory requirement commencing 1 January 2016.

These financial statements are the first financial statements of Norland College Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Norland College Limited for the year ended 31 July 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 26.

#### Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors, therefore, the accounts have been prepared on a going concern basis.

#### Turnover

Turnover represents the value of goods and services provided during the year, net of value added tax. Training and nursery fees are recognised when the service is provided. Employment agency fees are recognised when the contract commences.

#### Tangible fixed assets

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

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### 1 Accounting policies (Continued)

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	2.5% - 10% per annum of cost
Fixtures and fittings	15% - 33% per annum of cost
Office equipment	25% - 33% per annum of cost
Land	Not depreciated

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 profit or loss.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### **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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

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### 1 Accounting policies (Continued)

#### ***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 trade and other creditors, 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.

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when, in the opinion of the directors, there is sufficient certainty that they will be recovered in the foreseeable future.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### 1 Accounting policies (Continued)

##### 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.

##### Retirement benefits

Certain employees are members of the Teachers' Superannuation Scheme, a defined benefit scheme. The company makes contributions on behalf of the employees who are members in accordance with the requirements of the scheme. Other than these contributions there is no additional liability to the company in respect of the scheme which is controlled by the Department for Education and Employment.

The company operates a money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

##### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 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 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
<b>Turnover analysed by class of business</b>		
Provision of services	3,414,212	2,428,355
	<u>                    </u>	<u>                    </u>
<b>Other revenue</b>		
Interest income	7,307	16,055
Dividends received	47,228	47,132
	<u>                    </u>	<u>                    </u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 3 Turnover and other revenue (Continued)

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	3,305,394	2,365,617
Overseas	108,818	62,738
	<u>3,414,212</u>	<u>2,428,355</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	9,150
Depreciation of owned tangible fixed assets	142,822	106,653
(Profit)/loss on disposal of tangible fixed assets	(235)	1,455
Operating lease charges	162,523	6,906
	<u>162,523</u>	<u>6,906</u>

### 5 Employees

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

	2016 Number	2015 Number
Senior management	5	4
Academic staff	18	12
Support staff	8	8
Agency staff	4	4
	<u>35</u>	<u>28</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,152,134	963,433
Social security costs	101,113	79,290
Pension costs	107,523	66,255
	<u>1,360,770</u>	<u>1,108,978</u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

<b>6</b>	<b>Interest receivable and similar income</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	1,415	1,282
	Other interest income	5,892	14,773
	<b>Total interest revenue</b>	<u>7,307</u>	<u>16,055</u>
	<b>Other income from investments</b>		
	Dividends received	47,228	47,132
	<b>Total income</b>	<u>54,535</u>	<u>63,187</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	7,307	16,055
	Dividends from financial assets measured at fair value through profit or loss	47,228	47,132
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Interest payable and similar charges</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Other finance costs:</b>		
	Other interest	-	7
		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Other gains and losses</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Loss on disposal of investments held at fair value	(69,601)	(621)
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	44,308	3,090
		<u>          </u>	<u>          </u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	40,700	(31,453)
		<u>          </u>	<u>          </u>
	<b>Total tax charge</b>	<u>85,008</u>	<u>(28,363)</u>



# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 9 Taxation (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation	534,325	382,894
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	106,865	76,579
Tax effect of expenses that are not deductible in determining taxable profit	14,132	22,037
Gains not taxable	55,394	-
Tax effect of utilisation of tax losses not previously recognised	-	(85,087)
Change in unrecognised deferred tax assets	(52,077)	-
Adjustments in respect of prior years	(8,312)	-
Permanent capital allowances in excess of depreciation	-	158
Other permanent differences	-	(44,477)
Dividend income	(9,446)	(9,426)
Other differences	(21,548)	11,853
Tax expense for the period	85,008	(28,363)

### 10 Tangible fixed assets

	Freehold property £	Assets under construction £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 August 2015	1,494,397	165,683	274,222	194,872	2,129,174
Additions	-	1,083,216	69,803	52,144	1,205,163
Disposals	-	-	-	(4,432)	(4,432)
At 31 July 2016	1,494,397	1,248,899	344,025	242,584	3,329,905
<b>Depreciation and impairment</b>					
At 1 August 2015	313,144	-	114,329	127,064	554,537
Depreciation charged in the year	35,710	-	58,379	48,733	142,822
Eliminated in respect of disposals	-	-	-	(4,083)	(4,083)
At 31 July 2016	348,854	-	172,708	171,714	693,276
<b>Carrying amount</b>					
At 31 July 2016	1,145,543	1,248,899	171,317	70,870	2,636,629
At 31 July 2015	1,181,253	165,683	159,893	67,808	1,574,637

The assets of the company are secured by fixed and floating charges with National Westminster Bank Plc against loans available but not yet drawn down.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 11 Fixed asset investments

	2016 £	2015 £
Listed investments	1,186,800	2,202,833
Listed investments carrying amount	1,186,800	2,202,833

### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 August 2015	2,202,833
Valuation changes	57,359
Disposals	(1,073,392)
At 31 July 2016	1,186,800
<b>Carrying amount</b>	
At 31 July 2016	1,186,800
At 31 July 2015	2,202,833

### 12 Stocks

	2016 £	2015 £
Finished goods and goods for resale	11,489	8,053

### 13 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	40,874	16,301
Other debtors	526,199	26,522
Prepayments and accrued income	133,031	218,938
Deferred tax asset (note 17)	700,104	261,761
	-	36,601
	700,104	298,362

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 13 Debtors (Continued)

Under the terms of an agreement with National Westminster Bank Plc ("NatWest"), NatWest have agreed to provide a guarantee over certain debts of the company in respect of the building work in progress at the reporting date. In exchange, the company has placed £500,000 on deposit with NatWest as security for this arrangement, which will be returned to the company following practical completion or cessation of works.

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

	2016 £	2015 £
Trade creditors	85,294	77,562
Corporation tax	43,243	3,090
Other taxation and social security	45,595	34,374
Other creditors	59,784	38,940
Accruals and deferred income	303,022	217,073
	<u>536,938</u>	<u>371,039</u>

### 15 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	600,560	190,128
Equity instruments measured at cost less impairment	1,186,800	2,202,833
	<u>1,787,360</u>	<u>2,392,961</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	448,100	333,575
	<u>448,100</u>	<u>333,575</u>

### 16 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	17	162,583	158,484
		<u>162,583</u>	<u>158,484</u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
<b>Balances:</b>				
Capital gains	162,583	158,484	-	-
Tax losses	-	-	-	36,601
	<u>162,583</u>	<u>158,484</u>	<u>-</u>	<u>36,601</u>
				<b>2016</b>
<b>Movements in the year:</b>				<b>£</b>
Liability at 1 August 2015				121,883
Charge to profit or loss				<u>40,700</u>
Liability at 31 July 2016				<u><u>162,583</u></u>

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

### 18 Share capital

	2016 £	2015 £
<b>Ordinary share capital issued and fully paid</b>		
51 Ordinary shares of £1 each	<u>51</u>	<u>51</u>

Shares are at a nominal value of £1 each and each director is required to hold at least 4 with the balance held by the chairman.

At the current and comparative reporting date 6 of the directors held 6 Ordinary shares each, and 3 of the directors held 5 Ordinary shares each, resulting in no director having control of the company.

### 19 Reserves

#### Revaluation reserve

The cumulative revaluation gains and losses in respect of investments, except revaluation gains and losses recognised in profit or loss.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 20 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	109,343	162,523
Between two and five years	263,070	48,605
In over five years	1,815,000	-
	<u>2,187,413</u>	<u>211,128</u>

### 21 Capital commitments

	2016 £	2015 £
At 31 July 2016 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Construction of property, plant and equipment	<u>1,989,541</u>	<u>175,094</u>

### 22 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>314,217</u>	<u>298,855</u>

During the period the company made the following related party transactions:

Reverend A Claridge (a director of the company) received chaplaincy fees of £618 (2015: £618). At the balance sheet date the amount due to Reverend A Claridge was £nil (2015: £nil).

Ms K England (a director of the company) received consultancy fees of £8,453 (2015: £8,106). At the balance sheet date the amount due to Ms K England was £700 (2015: £1,254).

Ms R Edwards (a director of the company) received consultancy fees of £425 (2015: £nil). At the balance sheet date the amount due to Ms R Edwards was £nil (2015: £nil).

Mr P Hymans (a director of the company) received consultancy fees of £10,369 (2015: £nil). At the balance sheet date the amount due to Mr P Hymans was £nil (2015: £nil).

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 23 Retirement benefits

The company employees belong to two principal pension schemes; The Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff which is a defined benefit pension scheme and for non teaching staff the Norland stakeholder pension scheme which is a defined contribution scheme which is administered by Standard Life.

Total pension costs in the year

	2016	2015
	£	£
Teachers pension scheme contributions paid	77,617	54,022
Norland stakeholder pension scheme contributions paid	29,906	12,333
Total pension contributions paid in the year	<u>107,523</u>	<u>66,255</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012.

At the year end contributions of £15,722 (2015: £3,539) were outstanding and included in creditors.

#### Teachers pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 23 Retirement benefits (Continued)

The new employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £69,590 (2015: £54,022).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

### 24 Controlling party

The directors consider there to be no ultimate controlling party.

### 25 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	449,317	411,257
<b>Adjustments for:</b>		
Taxation charged/(credited)	85,008	(28,363)
Finance costs	-	7
Investment income	(54,535)	(63,187)
(Gain)/loss on disposal of tangible fixed assets	(235)	1,455
Depreciation and impairment of tangible fixed assets	142,822	106,653
Other gains and losses	69,601	621
<b>Movements in working capital:</b>		
(Increase) in stocks	(3,436)	(5,745)
(Increase) in debtors	(438,343)	(85,190)
Increase in creditors	125,746	102,550
<b>Cash generated from operations</b>	<u>375,945</u>	<u>440,058</u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 26 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	1 September 2014 £	31 July 2015 £
Equity as reported under previous UK GAAP	4,404,174	4,944,935
Adjustments arising from transition to FRS 102: Recognition of deferred tax arising on unrealised gains on listed investments	(153,336)	(158,484)
Equity reported under FRS 102	<u>4,250,838</u>	<u>4,786,451</u>

#### Reconciliation of profit

	Period ended 31 July 2015 £
Profit as reported under previous UK GAAP	416,405
Adjustments arising from transition to FRS 102: Recognition of deferred tax arising on unrealised gains on listed investments	(5,148)
Profit reported under FRS 102	<u>411,257</u>

#### Notes to reconciliations on adoption of FRS 102

##### Measurement of deferred tax

Recognition of deferred tax arising on unrealised gains on listed investments.