

Company Registration No. 00193170 (England and Wales)

NORLAND COLLEGE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2017

NORLAND COLLEGE LIMITED

COMPANY INFORMATION

Directors	Mr M Clarke (Chairman) MA FCA D,Univ FRSA 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 Ms C M Turner BEd (Hons) Mr A H Page BSc PGCE MBA Prof D Timms BEd MA MSc PhD Ms R A Heald BA MA
Company number	00193170
Registered office	York Villa York Place London Road Bath Somerset BA1 6AE
Auditor	RSM UK Audit LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Bankers	NatWest Bank Plc 119 High Street Hungerford Berkshire RG17 OLX

NORLAND COLLEGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017

NATURE, OBJECTIVES AND STRATEGIES

The directors present their strategic report and financial statements for the year ended 31 July 2017.

Principal Activities

The principal activity of the company is the provision of a Higher Education degree in Early Years Development and Learning 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 students, and corporate training, consultancy services and research within the Early Years sector.

Results and Dividends

The profit for the year after taxation amounted to £522,096 (2016: £449,317). The members 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 2017 and is:

'Norland's mission is to uphold and enhance our prestigious reputation and provide a bespoke higher education, training and consultancy, informed by cutting edge research, and cultivate outstanding graduates with lifelong career opportunities, professional support and continuous learning.'

Implementation of the Strategic Plan

In 2017 the college renewed the strategic plan for the 5 years to 2022. The College's strategic aims are:

1. The Student Experience: To position Norland as the leading Higher Education alternative provider of an integrated Early Years Development and Learning degree and the practical Norland Diploma, and to deliver an enriching and valuable learning experience which facilitates student engagement.
2. The Norlander Career: To promote and facilitate excellent employment and lifelong professional development opportunities, and work jointly with Norlanders to uphold Norland's prestigious reputation and code of professional responsibilities.
3. Financial Stewardship: To ensure Norland's finances and resources are managed and protected with care, proficiency and probity, and to diversify where appropriate.
4. Quality of services: To ensure the maintenance of academic standards and facilitate the enhancement of learning opportunities, and to strengthen quality throughout all departments in Norland through reflective, cutting edge education, research, training and/or practice, so that all staff and students participate in improving the processes, products, services and culture of Norland.
5. Research and consultancy profile: To develop a credible and ethical research and consultancy profile, evidence base and network which reflects the high quality and standard of Norland's provision and enhances staff and student research expertise, strengthening Norland's capacity to transform children's lives.
6. Professional Development: To generate a cohesive, empowering and inclusive learning community to drive progressive change and collaborative approaches within and beyond Norland College, where all staff, students and clients can enrich their professionalism, wellbeing, leadership capacity and insights into early years provision.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

7. Growth for sustainability: To sustain and enhance Norland's national and international reputation for excellence in early childhood education and care and to expand its activities in stakeholder environments, as well as diversify Norland's student demographic to reflect Norland's widening participation agenda.
8. Community Engagement: To extend Norland's tradition of charitable activities and proactively explore opportunities to engage with stakeholders, the wider community and prospective clients.

A series of key performance indicators have been agreed to monitor the successful implementation of the strategic plan and will be monitored by the Senior Leadership Team and Norland Board. The College is making progress in meeting these aims.

FINANCIAL POSITION

Financial results

The College had an operating surplus in the year of £525,691 (2016: £549,391) from continuing activities. After taking investment income, similar income, asset disposal and corporation tax payable into account, the College had a profit for the year of £522,096 (2016: £449,317).

At the balance sheet date, the College has accumulated profit reserves of £5,223,270 (2016: £4,701,174) and cash balances of £593,904 (2016: £1,457,626).

Intangible fixed assets additions during the year amounted to £56,331 (2016: £nil). Tangible fixed asset additions during the year amounted to £2,854,137 (2016: £1,205,163) split between equipment purchases of £11,642 (2016: £121,947) and assets in the course of construction £2,842,495 (2016: £1,083,216). Further capital commitments of £14,672 (2016: £1,989,541) for assets in the course of construction are due after the year end.

The College disposed of investments for £nil (2016: £1,073,392) during the year to fund the tangible asset improvements. Revaluation of remaining investments resulted in a year end market value of £1,268,778 (2016: £1,186,800), and an increase in the year end revaluation reserve being £673,880 (2016: £591,902).

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 a decrease in cash in the year of £863,722 (2016: increase of £225,537) and a net cash inflow from operating activities of £1,409,211 (2016: inflow £375,945). Cash continues to be carefully managed to minimise external support to part fund the current accommodation strategy.

Liquidity

During the year the College borrowed £660,000 with a repayment period of ten years. It disposed of investments for £nil (2016: £1,073,392). These funds in the prior year were earmarked towards the College's accommodation strategy, and are reflected in its assets in the course of construction. The College cash balance of £593,904 (2016: £1,457,626) at the yearend supports a sound position of liquidity.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

In 2016/17 Norland delivered a BA (Hons) Early Years Development and Learning (EYDL) 3 year full time programme, in conjunction with the Norland Diploma. All students studied both programmes.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

Student Numbers

Student numbers continue to increase as more first year students are recruited. Student numbers for 2016/2017 were as follows:

For	Enrolled for 2016/17	Withdrawn/discontinued	Completed 2016/17
First Years	92	4	88
Second Years	82	1	81
Third Years	68	0	68

Student intake for the current academic year has again risen, with 103 first years enrolling in September.

Student Achievements & Curriculum Developments

Retention on the BA EYDL programme remains strong, with 100% of third years, 99% of second years and 96% of first years continuing their studies throughout 2016/17. This compares very favourably with similar courses in other institutions. In 2016/17 our third year students continued the trend of excellent results, with 84% of those who have completed their degrees achieving a first class or 2:1 classification. 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 continuing strong focus on student engagement has ensured that students are involved in how they are taught and the standards of teaching, and this has had a very positive impact on their retention and achievement.

Other Activities

Despite no new students (due to a past one off change in course length) the Norland Agency reported turnover of £212,593 (2016: £283,015), utilising effective marketing strategies and capitalising on positive media interest surrounding Norland. In addition, income from placing Newly Qualified Nannies (NQN) was £113,987 (2016: £28,463), a considerable increase reflecting the placement of 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 £172,338 (2016: £164,376).

Financial Key Performance Indicators (KPIs)

The College Senior Leadership Team (SLT), Committees and Board monitors financial and non-financial KPIs via the termly management accounts as well as through other reporting mechanisms throughout the academic year. Student achievement and retention remains strong, as does Norland commitment to fully resource the College with highly skilled staff and supporting students with full and part bursaries. Demand for our students after qualification remains high. See below:

2017 graduates obtaining a first class or an upper second class degree	83.6%
16/17 retention rate set 38 (third year students)	100.0%
16/17 retention rate set 39 (second year students)	98.8%
16/17 retention rate set 40 (third year students)	95.7%
Total students to total staff ratio	6.49
Total students to teaching staff ratio	16.19
Jobs per Norlander actively looking at 31 July 2017	6
Bursaries as a percentage of student income	3.3%

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

Future Developments

The majority of our building programme at Oldfield Park, Bath was completed by 1 August 2017, replacing some of our rented accommodation and providing additional state of the art spaces to meet our planned growth. A temporary building previously installed at York Place, Bath was removed during the year.

Norland has applied to the Higher Education Funding Council for England (HEFCE) for Taught Degree Awarding Powers and a process of scrutiny has commenced. A decision is expected in spring 2019.

Norland continues to investigate charitable status, as a way of ensuring corporate security for the long term and sending a clear message that our 'raison d'être' is for social and public good.

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, 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 2016/17 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 July 2017 which requires providers to meet four criteria for their courses to be specifically designated for student support for the academic year 2017-2018.

The criteria are:

- Quality assessment
- Academic performance/track record
- Course eligibility
- Financial sustainability, management and governance

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

A full application has been submitted and we are awaiting a final decision from the Department for Education. 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:

- Ensuring the College is rigorous in delivering high quality education and training
- Placing considerable focus and investment on maintaining and managing key relationships with the University of Gloucestershire, which validates our degree courses
- Reviewing and developing our corporate governance and financial management processes
- 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.

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 IT provision

As a modern College, more and more reliance is put on our IT systems and these must be fully capable of supporting the College students and staff, especially in a period of change and growth. If these systems are not robust, efficient and resilient the risk is that teaching practices and the student experience may suffer.

This risk is mitigated in a number of ways:

- Employing an in house IT Support Manager
- Engaging day to day and higher skilled IT expertise from a specialist contractor
- Acting on a recent IT strategy review
- Monitoring and acting on student and staff feedback

GOVERNANCE AND INTERNAL CONTROL

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

- Mr M Clarke (Chairman) MA FCA D.Univ FRSA
- Reverend A Claridge (Vice Chairman) LRAM Dip. Ed MA (resigned 29/3/17)
- 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

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

Since the 31 July 2017 the following directors have been appointed:

- Mrs Rosemary Heald BA MA (appointed 10/10/17)
- Mrs Christine Turner BEd (Hons)(appointed 10/10/17)
- Professor David Timms BEd MA MSc PhD (appointed 10/10/17)
- Mr Alastair Page BSc PGCE MBA (appointed 10/10/17)

The Norland Board of Directors (the 'Board') is responsible for the statutory oversight of Norland College to ensure it meets the standards of both a company limited by shares and of a higher education institution which has access to public funds. In doing so it recognises the core values and primary elements of governance as set out in the Higher Education Code of Governance 2014 (HECOG). The Board is responsible for ensuring that the College has in place the physical and human resources to meet the needs of its students, and for ensuring the enhancement of the learning experience and the maintenance of academic standards.

The Directors meet at least 4 times per academic year, with no less than five independent members, one ex-officio member (the Principal) and two co-opted members (staff and student representatives).

The Company conducts its business through the following committees:

- Finance Committee
- Academic Board
- Enterprise Committee
- Audit Committee
- Nomination and Governance Committee
- Remuneration Committee

Finance Committee

Reporting to the Board, the remit of the Finance Committee is to oversee the financial strategy and financial management of Norland to ensure that it meets the needs of students, and enables the enhancement of the learning experience and the maintenance of academic standards. The Finance Committee also receives reports from the Executive and the Senior Leadership Team regarding the College's estates including maintenance and insurance, and on matters relating to health and safety. Membership of the Finance Committee is determined from time to time by the Board and include:

- Director (Committee Chair)
- The Chair of the Board
- Directors (2)
- The Principal

In attendance are the Chief Financial Officer and the Clerk to the Board.

The Finance Committee meets at least four times per year in advance of the termly meetings of the Board of Directors and at such other time or place as may be determined by the Chair of the Committee.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

Academic Board

The Board of Directors has overall responsibility for academic standards and enhancement of the quality of learning opportunities, and delegates this responsibility to the Academic Board. For awards validated by an external body, currently the University of Gloucestershire, all matters relating to academic standards are considered with reference to the awarding body's overarching responsibilities, policies and procedures. The powers and responsibilities of the Academic Board are subject to those of the awarding body in all relevant matters. The Academic Board is responsible for setting, maintaining and assuring the academic standards of the College and any awards that it makes. The Academic Board will take such measures and act in such a manner as shall best promote the academic and professional work of the College and safeguard the integrity and standards of its awards. The membership is to be determined by the Board and includes:

- The Principal (Committee Chair)
- Vice Principal and Registrar/Head of Academic Services
- Head of Research, Consultancy and Training
- Programme Leaders (2)
- Academic Support Services Manager
- Quality and Enhancement Manager
- Placement Manager
- NQN Manager
- Head or Deputy Head Student from each Set (but not present at meetings reserved for consideration of assessment results or other matters relating to specific staff or students)

In attendance are the Personal Assistant (PA) to the Vice Principal (Minutes) and lecturers/staff by invitation.

The Academic Board meets at least once per term. Additional meetings may be held with the agreement of the Principal.

Enterprise Committee

The Board has created the Enterprise Committee to ensure that it maintains oversight of matters relating to the College's commercial activities including research, external consultancy and training, Norland Agency and marketing. The Enterprise Committee has regard to the ethos and values of the College in protecting the Norland College reputation. Membership of the Enterprise Committee is determined from time to time by the Board and includes:

- Director (Committee Chair)
- Directors (4)
- The Principal
- Vice-Principal
- Head of Research, Consultancy and Training
- Head of External Communications and Agency

In attendance is the Clerk to the Board.

The Enterprise committee meets at least twice per year and at such other time as may be determined by the Chair of the Committee.

Audit Committee

The Board must receive assurance that the institution is meeting the conditions of funding as set by regulatory and funding bodies and other major institutional funders which include the requirements of the financial memoranda. These include:

- Using public funds for proper purposes and achieve good value for money
- Having a sound system of risk management, financial control and governance
- Ensuring the use of regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- Safeguarding institutional sustainability

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

The Board established the Audit committee to meet the above requirements and to provide a further independent check on the College's financial and reporting activities. The Audit Committee and its Chair are appointed by the Board, from among its own members, and must consist of members with no executive responsibility for the management of the College. Membership of the Audit Committee is determined from time to time by the Board and includes:

- Director (Committee Chair)
- Directors (2)

In attendance are the Principal, the Chief Financial Officer and the Clerk to the Board.

A representative of the external auditors normally attend meetings where business relevant to them is to be discussed. Meetings are normally held twice each financial year with additional meetings held as necessary.

Nominations and Governance Committee

The Board has established a Nominations and Governance Committee, with the purpose to advise the Board on matters relating to the appointment of independent directors, Chair of the Board of Directors and the appointment of the Principal and Vice Principal, and on all governance matters including the regular review of the effectiveness of the Board. Members are appointed to the Committee by the Board. The Committee has five members and includes:

- The Chair of the Board of Directors (Committee Chair)
- Directors (4)
- The Principal

In attendance is the Clerk to the Board.

The Committee meets at least once a year. Additional meetings may be held with the agreement of the Chair of the Board.

Remuneration Committee

The Board has established a Remuneration Committee, with the purpose to advise the Board of Directors on matters relating to the remuneration of the Principal and Executive of the College. Members are appointed to the Committee by the Board of Directors. The Committee will have four members including:

- The Chair of the Board of Directors (Committee Chair)
- Directors (2)
- The Principal

In attendance are the Clerk to the Board and the Head of Human Resources (as appropriate).

The Committee meets at least once a year. Additional meetings may be held with the agreement of the Chair of the Board.

Internal control

Scope of responsibility

The Directors are ultimately responsible for the College's system of internal control and for ensuring 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.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

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 2017 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 2017 and up to the date of approval of the report and accounts. This process is regularly reviewed by the Directors.

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 Board
- Regular reviews by the Board 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
- 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:

- Work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- Comprehensive college wide Risk Register
- Comments made by the College's Auditors in their management letters and other reports

The Principal is 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 Senior Leadership Team (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 Risk Register reports. The Committees' role in this area is confined to a high-level review of the arrangements for internal control. All Board agendas include 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.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

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

11/12/17

NORLAND COLLEGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

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	(Resigned 29 March 2017)
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	
Ms C M Turner BEd (Hons)	(Appointed 10 October 2017)
Mr A H Page BSc PGCE MBA	(Appointed 10 October 2017)
Prof D Timms BEd MA MSc PhD	(Appointed 10 October 2017)
Ms R A Heald BA MA	(Appointed 10 October 2017)

Results and dividends

The results for the year are set out on page 15.

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

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

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

Strategic report

The directors have chosen in accordance with section 414c (11) of the Companies Act 2006 to include in the strategic report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance of the company.

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
11/12/17

NORLAND COLLEGE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2017

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;
- 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

Opinion

We have audited the financial statements of Norland College Limited (the Company) for the year ended 31 July 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORLAND COLLEGE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Hywel Pegler (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD
15/12/2017

NORLAND COLLEGE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2017

	Notes	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Turnover	3	3,839,354	3,414,212
Administrative expenses		(3,313,663)	(2,864,821)
Operating profit	5	525,691	549,391
Interest receivable and similar income	6	38,048	54,535
Interest payable and similar expenses	7	(2,994)	-
Other gains and losses	8	-	(69,601)
Profit before taxation		560,745	534,325
Taxation	9	(38,649)	(85,008)
Profit for the financial year	22	522,096	449,317

NORLAND COLLEGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2017

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Profit for the year	522,096	449,317
Other comprehensive income net of taxation		
Adjustments to the fair value of financial assets	81,978	57,359
Total comprehensive income for the year	<u>604,074</u>	<u>506,676</u>


NORLAND COLLEGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	10		46,942		-
Tangible assets	11		5,353,754		2,636,629
Investments	12		1,268,778		1,186,800
			<u>6,669,474</u>		<u>3,823,429</u>
Current assets					
Stocks	13	8,218		11,489	
Debtors	14	232,773		700,104	
Cash at bank and in hand		593,904		1,457,626	
			<u>834,895</u>	<u>2,169,219</u>	
Creditors: amounts falling due within one year	15	(908,537)		(536,938)	
Net current (liabilities)/assets			<u>(73,642)</u>	<u>1,632,281</u>	
Total assets less current liabilities			<u>6,595,832</u>	<u>5,455,710</u>	
Creditors: amounts falling due after more than one year	16		(580,477)		-
Provisions for liabilities	19		(118,154)		(162,583)
Net assets			<u>5,897,201</u>	<u>5,293,127</u>	
Capital and reserves					
Called up share capital	21		51		51
Revaluation reserve	22		673,880		591,902
Profit and loss reserves	22		5,223,270		4,701,174
Total equity			<u>5,897,201</u>	<u>5,293,127</u>	

The financial statements were approved by the board of directors and authorised for issue on 11/12/17 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 2017

	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015	51	928,914	3,857,486	4,786,451
Period ended 31 July 2016:				
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	-
Balance at 31 July 2016	51	591,902	4,701,174	5,293,127
Period ended 31 July 2017:				
Profit for the period	-	-	522,096	522,096
Other comprehensive income net of taxation: Adjustments to fair value of financial assets	-	81,978	-	81,978
Total comprehensive income for the period	-	81,978	522,096	604,074
Balance at 31 July 2017	51	673,880	5,223,270	5,897,201

NORLAND COLLEGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	1,409,211		375,945	
Interest paid		(2,994)		-	
Income taxes paid		(37,420)		(4,155)	
Net cash inflow from operating activities		1,368,797		371,790	
Investing activities					
Purchase of intangible assets		(56,331)		-	
Purchase of tangible fixed assets		(2,854,137)		(1,205,163)	
Proceeds on disposal of tangible fixed assets		-		584	
Proceeds on disposal of fixed asset investments		-		1,003,791	
Interest received		697		7,307	
Dividends received		37,351		47,228	
Net cash used in investing activities		(2,872,420)		(146,253)	
Financing activities					
Proceeds of new bank loans		660,000		-	
Repayment of bank loans		(20,099)		-	
Net cash generated from/(used in) financing activities		639,901		-	
Net (decrease)/increase in cash and cash equivalents		(863,722)		225,537	
Cash and cash equivalents at beginning of year		1,457,626		1,232,089	
Cash and cash equivalents at end of year		593,904		1,457,626	

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

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.

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 fees are recognised when the service is provided. Employment agency fees are recognised when the contract commences.

Intangible fixed assets other than goodwill

Intangible assets acquired are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software and licences	3 years straight line
-----------------------	-----------------------

Tangible fixed assets

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

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.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

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.

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.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense 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.

The directors have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and they believe there are none to note.

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover analysed by class of business		
Provision of services	3,839,354	3,414,212
	<u> </u>	<u> </u>
Other revenue		
Interest income	697	7,307
Dividends received	37,351	47,228
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2017	2016
	£	£
United Kingdom	3,744,596	3,305,394
Overseas	94,758	108,818
	<u> </u>	<u> </u>
	3,839,354	3,414,212
	<u> </u>	<u> </u>

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

4 Employees

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

	2017	2016
	Number	Number
Senior management	5	5
Academic staff	18	18
Support staff	9	7
Agency staff	4	4
Research, consultancy & training	1	1
	<u>37</u>	<u>35</u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	1,321,216	1,152,134
Social security costs	125,734	101,113
Pension costs	132,932	107,523
	<u>1,579,882</u>	<u>1,360,770</u>

Details of directors remuneration under consulting arrangements is disclosed in note 26 of the financial statements.

5 Operating profit

	2017	2016
	£	£
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	18,000	14,000
Depreciation of owned tangible fixed assets	137,012	142,822
Profit on disposal of tangible fixed assets	-	(235)
Amortisation of intangible assets	9,389	-
Operating lease charges	110,178	162,523
	<u>110,178</u>	<u>162,523</u>

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

6 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	697	1,415
Other interest income	-	5,892
	<u>697</u>	<u>7,307</u>
Other income from investments		
Dividends received	37,351	47,228
	<u>38,048</u>	<u>54,535</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	697	7,307
Dividends from financial assets measured at fair value through profit or loss	37,351	47,228
	<u>38,048</u>	<u>54,535</u>

7 Interest payable and similar expenses

	2017	2016
	£	£
Other finance costs:		
Other interest	2,994	-
	<u>2,994</u>	<u>-</u>

8 Other gains and losses

	2017	2016
	£	£
Gain/(loss) on disposal of investments held at fair value	-	(69,601)
	<u>-</u>	<u>(69,601)</u>

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	90,551	44,308
Adjustments in respect of prior periods	(7,473)	-
Total current tax	<u>83,078</u>	<u>44,308</u>
Deferred tax		
Origination and reversal of timing differences	(35,397)	40,700
Changes in tax rates	(9,032)	-
Total deferred tax	<u>(44,429)</u>	<u>40,700</u>
Total tax charge	<u>38,649</u>	<u>85,008</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	<u>560,745</u>	<u>534,325</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	106,542	106,865
Tax effect of expenses that are not deductible in determining taxable profit	2,257	14,132
Gains not taxable	(82,487)	55,394
Change in unrecognised deferred tax assets	10,987	(52,077)
Adjustments in respect of prior years	(7,473)	(8,312)
Permanent capital allowances in excess of depreciation	6,684	-
Dividend income	-	(9,446)
Other differences	2,139	(21,548)
Taxation charge for the period	<u>38,649</u>	<u>85,008</u>

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

10 Intangible fixed assets

	Software and licences £
Cost	
Additions - separately acquired	56,331
At 31 July 2017	56,331
Amortisation and impairment	
Amortisation charged for the year	9,389
At 31 July 2017	9,389
Carrying amount	
At 31 July 2017	46,942
At 31 July 2016	-

11 Tangible fixed assets

	Freehold property £	Assets under construction £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2016	1,494,397	1,248,899	344,025	242,584	3,329,905
Additions	-	2,842,495	-	11,642	2,854,137
At 31 July 2017	1,494,397	4,091,394	344,025	254,226	6,184,042
Depreciation and impairment					
At 1 August 2016	348,854	-	172,708	171,714	693,276
Depreciation charged in the year	33,987	-	60,215	42,810	137,012
At 31 July 2017	382,841	-	232,923	214,524	830,288
Carrying amount					
At 31 July 2017	1,111,556	4,091,394	111,102	39,702	5,353,754
At 31 July 2016	1,145,543	1,248,899	171,317	70,870	2,636,629

The assets of the company are secured by fixed and floating charges with National Westminster Bank Plc.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

12 Fixed asset investments

	2017 £	2016 £
Listed investments	1,268,778	1,186,800
Listed investments included above:		
Listed investments carrying amount	1,268,778	1,186,800

Movements in fixed asset investments

	Investments other than loans £
Valuation	
At 1 August 2016	1,186,800
Valuation changes	81,978
At 31 July 2017	1,268,778
Carrying amount	
At 31 July 2017	1,268,778
At 31 July 2016	1,186,800

13 Stocks

	2017 £	2016 £
Finished goods and goods for resale	8,218	11,489

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	28,061	40,874
Other debtors	33,186	526,199
Prepayments and accrued income	171,526	133,031
	232,773	700,104

Under the terms of an agreement with National Westminster Bank Plc ("NatWest"), NatWest 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 placed £500,000 on deposit with NatWest as security for this arrangement in the prior year, this was returned to the company in the current year.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	59,424	-
Trade creditors		264,932	85,294
Corporation tax		88,901	43,243
Other taxation and social security		49,037	45,595
Other creditors		55,182	59,784
Accruals and deferred income		391,061	303,022
		<u>908,537</u>	<u>536,938</u>

16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	580,477	-
		<u>580,477</u>	<u>-</u>

17 Borrowings

	2017 £	2016 £
Bank loans	639,901	-
	<u>639,901</u>	<u>-</u>
Payable within one year	59,424	-
Payable after one year	580,477	-
	<u>639,901</u>	<u>-</u>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to LIBOR that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

During the year the company took out a new loan with National Westminster Bank plc ("NatWest"). The principal amount of the loan taken out was £660,000. Interest is charged at a rate of 1.75% plus Bank of England Base Rate and is due for repayment on 27 February 2027. The Company makes monthly repayments of the bank borrowings.

The long-term loan is secured by a fixed charge over the assets of the company.

18 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	61,247	600,560
Equity instruments measured at cost less impairment	1,268,778	1,186,800
	<u>1,330,025</u>	<u>1,787,360</u>

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

18 Financial instruments (Continued)

Carrying amount of financial liabilities

Measured at amortised cost	1,351,076	448,100
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19 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	20	118,154	162,583
		<u>118,154</u>	<u>162,583</u>

20 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 2017 £	Liabilities 2016 £
Balances:		
Capital gains	118,154	162,583
	<u>118,154</u>	<u>162,583</u>
Movements in the year:		2017 £
Liability at 1 August 2016		162,583
Credit to profit or loss		(44,429)
Liability at 31 July 2017		<u>118,154</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.

21 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
51 Ordinary shares of £1 each	51	51
	<u>51</u>	<u>51</u>

At the current and comparative reporting date, the £51 share capital was shared amongst the directorship, with no one director having overall control of the company.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

22 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.

23 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	522,096	449,317
Adjustments for:		
Taxation charged	38,649	85,008
Finance costs	2,994	-
Investment income	(38,048)	(54,535)
Gain on disposal of tangible fixed assets	-	(235)
Amortisation and impairment of intangible assets	9,389	-
Depreciation and impairment of tangible fixed assets	137,012	142,822
Other gains and losses	-	69,601
Movements in working capital:		
Decrease/(increase) in stocks	3,271	(3,436)
Decrease/(increase) in debtors	467,331	(438,343)
Increase in creditors	266,517	125,746
Cash generated from operations	<u>1,409,211</u>	<u>375,945</u>

24 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:

	2017 £	2016 £
Within one year	83,568	109,343
Between two and five years	262,105	263,070
In over five years	1,790,100	1,815,000
	<u>2,135,773</u>	<u>2,187,413</u>

NORLAND COLLEGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

25 Capital commitments

	2017	2016
	£	£
Amounts contracted for but not provided in the financial statements:		
Contracted for but not provided in the financial statements:		
Construction of property, plant and equipment	14,672	1,989,541
	<u>14,672</u>	<u>1,989,541</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	379,781	314,217
	<u>379,781</u>	<u>314,217</u>

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

Ms K England (a director of the company) received consultancy fees of £8,589 (2016: £8,453). At the balance sheet date the amount due to Ms K England was £700 (2016: £700).

Ms R Edwards (a director of the company) received consultancy fees of £nil (2016: £425). At the balance sheet date the amount due to Ms R Edwards was £nil (2016: £nil).

Mr P Hymans (a director of the company) received consultancy fees of £4,000 (2016: £10,369). At the balance sheet date the amount due to Mr P Hymans was £nil (2016: £nil).

Reverend A Claridge (a former director of the Company) received chaplaincy fees of £nil (2016: £618). At the balance sheet date the amount due to Reverend A Claridge was £nil (2016: £nil).

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

27 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

	2017	2016
	£	£
Teachers pension scheme contributions paid	100,486	77,617
Norland stakeholder pension scheme contributions paid	32,445	29,906
	<hr/>	<hr/>
Total pension contributions paid in the year	132,931	107,523
	<hr/> <hr/>	<hr/> <hr/>

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 £19,578 (2016: £15,722) were outstanding and included in creditors.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

27 Retirement benefits (Continued)

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.

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 £100,486 (2016: £77,617).

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.

28 Controlling party

The directors consider there to be no ultimate controlling party.