

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

**NORLAND COLLEGE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2019**

# NORLAND COLLEGE LIMITED

## COMPANY INFORMATION

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**Directors**

Mr M Clarke (Chairman) MA FCA D, Univ FRSA  
Ms R Edwards BTEC HND  
Mr P Hymans BSc Msc PGCert Cert Ed CEng MIMinE  
Mr M A Bray FCMA  
Mr C Jerram FRICS  
Ms C L Turner BEd (Hons)  
Mr A H Page BSc PGCE MBA  
Prof D Timms BEd MA MSc PhD  
Ms T Worth MBA FIOC FCILT  
Mrs K Dicker Norland NNEB  
Mrs P Lovatt NNEB Bsc  
Ms R A Heald (Vice Chair) 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 0LX

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# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2019

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#### NATURE, OBJECTIVES AND STRATEGIES

The directors present their strategic report and financial statements for the year ended 31 July 2019.

##### 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, corporate training, consultancy services and research within the Early Years sector.

##### Change in Ownership

The share capital of Norland College Limited (the College) has historically been shared equally amongst its current Directorship. Following agreement, on 31 July 2019 the Directors gifted their entire shareholding to a newly formed supportive trust The Norland Foundation, registered charity no. 1180292. The charity's objectives are closely aligned with those of the College. This change sends a clear message as to the College's *raison d'être* (i.e. public good), provides long term security of its assets, confirms the explicit reinvestment of any profits and gains the additional oversight from the Charity Commission for the long term benefit of the College. Consequently, the College is now owned by, and is a 100% subsidiary of, The Norland Foundation.

##### Results and Dividends

The profit for the year after taxation for the College amounted to £529,089 (2018: £307,257). The Articles of Association prevent the company from declaring or paying any dividends, though it may pay qualifying distributions within the meaning of section 191 of the Corporation Tax Act 2010. Post year end, the directors intend to make a distribution to The Norland Foundation amounting to £593,642 (2018: £nil).

##### 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 early years 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:

- **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.
- **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.
- **Financial Stewardship:** To ensure Norland's finances and resources are managed and protected with care, proficiency and probity, and to diversify where appropriate.
- **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.
- **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.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### **Implementation of the Strategic Plan (continued)**

- 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.
- 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.
- 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 Strategic Leadership Team and Norland Board. The College is making progress in meeting these aims.

#### **FINANCIAL POSITION**

##### **Financial results**

The College had an operating profit in the year of £363,956 (2018: £389,815) from continuing activities. It had no discontinued operations in the year (2018: nil). After taking investment income, similar income, asset disposal and corporation tax payable into account, the College had a profit for the year of £529,089 (2018: £307,257). Post year end, the directors intend to make a distribution to The Norland Foundation amounting to £593,642 (2018: £nil).

At the balance sheet date, the College has accumulated profit reserves of £6,059,616 (2018: £5,530,527) and cash balances of £1,440,445 (2018: £889,776).

Intangible fixed assets additions during the year amounted to £nil (2018: £nil). Tangible fixed asset additions during the year amounted to £15,607 (2018: £232,266) split between equipment purchases of £15,607 (2018: £82,082) and the finalisation of the Oldfield Park development of £nil (2018: £150,184).

Revaluation of investments resulted in a year end market value of £1,328,078 (2018: £1,300,956), the revaluation reserve being £733,180 (2018: £706,058).

##### **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 £550,669 (2018: increase of £295,872) and a net cash inflow from operating activities of £586,541 (2018: inflow £550,097). Cash continues to be carefully managed.

##### **Liquidity**

During 2016/17 the College borrowed £660,000 with a repayment period of ten years, for investment in accommodation in accordance with the strategic plan. In 2018/19 the College made repayments against the loan of £62,126 (2018: £61,277). The College's cash balance of £1,440,445 (2018: £889,776) at the year end supports a sound position of liquidity.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

In 2018/19 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.

#### Student Numbers

Total student numbers continue to increase. Student numbers for 2018/2019 were as follows:

	Enrolled for 2018/19	Withdrawn/discontinued	Completed 2018/19
First Years	100	5	95
Second Years	100	5	95
Third years	81	1	80

Student intake for the current academic year (19/20) is in line with expectations, with 103 first years enrolling in September.

#### Student Achievements & Curriculum Developments

Retention on the BA EYDL programme remains strong, with 95% of first and second years, and 99% of third years continuing their studies throughout 2018/19. This compares very favourably with similar courses in other institutions. In 2018/19 65% of our third year students who completed their degrees achieved a first class or 2:1 classification. The curriculum for both the degree and diploma is subject to annual monitoring and review, taking into account feedback from staff, students, external examiners, employers and graduates. This review results in a current and comprehensive offering. The College received its second Gold rating for the Teaching Excellence and Graduate Outcomes Framework, with the assessment panel noting "that continuation rates are exceptionally high and above the provider's benchmark." Norland also won the top Whatuni Student Choice award in the Independent HE category.

#### Other Activities

The Norland Agency reported turnover of £408,277 (2018: £291,340), utilising effective marketing strategies and capitalising on continued positive media interest surrounding Norland. In addition, income from placing Newly Qualified Nannies (NQN) has increased to £129,252 (2018: £122,244).

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 £106,149 (2018: £123,063).

#### Financial Key Performance Indicators (KPIs)

The College Strategic 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's 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:

2019 graduates obtaining a first class or an upper second class degree	65%
18/19 retention rate set 40 (third year students)	98.8%
18/19 retention rate set 41 (second year students)	95.0%
18/19 retention rate set 42 (first year students)	95.0%
Total students to total staff ratio	5.29
Total students to teaching staff (degree and diploma) ratio	13.70
Jobs per Norlander actively looking at 31 July 2019	3.8
Bursaries as a percentage of student income	3.6%

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### **Future Developments**

In 2018/19 Norland successfully gained Taught Degree Awarding Power, with the College now working towards applying for University title in 3-4 years time. Norland continues to review and consider its future college and student accommodation needs, to ensure good provision. In addition, since 31 July 2019 it is now working as part of the Norland Foundation charitable group. The College continues to develop ambitious plans to expand its consultancy and commercial income streams.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The College has continued 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, and scrutinised at Departmental, Strategic Leadership, 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 rated and prioritised using a consistent scoring system and RAG rating.

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 2018/19 the majority of students at the College were eligible and accessed student funding and this demand is expected to continue. In the summer of 2018 Norland applied for and successfully gained registration with the Office for Students (OfS), giving continued access to this vital student funding. Whilst the College is confident of ongoing continued registration, there can be no absolute assurance of this. Also there can be no assurance that government policy or practice will not change or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Prioritising the continual registration with the OfS
- Ensuring the College is rigorous in delivering high quality education and training
- Securing alternative funding arrangements

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 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:

- Future student recruitment is closely monitored (the College is not relying on student numbers growth to deliver future forecasts)
- Preparation of reliable termly management accounts and prudent forecasts for the Finance Committee and Board of Directors
- Preparation and review of monthly finance data and cash flows, for internal College management purposes
- Monthly and termly assessment of risks to the projected outturn for the year

#### 3. Inadequate IT provision

As a modern College, more and more reliance is placed on its IT systems and cyber security, and these must be fully capable of supporting and protecting its students, staff and the wider College, especially in periods 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, and ultimately the future of the College may be threatened.

This risk is mitigated in a number of ways:

- Employing an in house IT Manager, with additional technician support
- Engaging day to day and higher skilled IT expertise from a specialist contractor
- Investing in cyber security and insurance
- Monitoring and acting on student and staff feedback

#### **Business Continuity Plan**

During 2018/19 the College developed and finalised an extensive and detailed Business Continuity Plan. This plan will be regularly updated to reflect Norland's current business, and will be used in response to a major event, critical incident or crisis during and in the period immediately following the event and for management of the longer term consequences of such an incident.

#### **GOVERNANCE AND INTERNAL CONTROL**

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 Committee of University Chairs (CUC) Higher Education Code of Governance 2014. 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 for full Board meetings at least 4 times per academic year.

The Directors are not employed by Norland College Ltd and do not receive remuneration for their director services. All Directors are therefore independent. The Principal is a member of the Board ex-officio. There is one staff and one student member of the Board elected by their peer group, who are co-opted. Neither ex-officio or co-opted members have voting rights.

# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

The Board conducts its business through the following committees:

- Finance Committee (FC)
- Academic Board (AB)
- Enterprise Committee (EC)
- Audit Committee (AC)
- Nomination and Governance Committee (NGC)
- Remuneration Committee (RC)

The Directors who served during the year and/or at the signing date were as follows:

	Board	FC	AB	EC	AC	NGC	RC
Mr M Clarke (Chairman) MA FCA D,Univ FRSA	x	x				x	x
Mrs C Mills (Vice Chair) BA AIHSM	x		x	x			
Ms J Gaskell NNEB RSH BA (Hons) EYPS	x			x		x	
Ms R Edwards BTEC HND	x	x		x		x	
Ms K England FCIPD	x				x	x	x
Mr P Hymans BSc MSc PGCert Cert Ed CEng MIMinE	x				x		
Mr C Jerram FRICS	x	x					
Mr M A Bray FCMA	x	x	x				x
Mrs R Heald (Vice Chair) BA MA	x	x	x	x			
Mrs C Turner BEd (Hons)	x	x					
Prof D Timms BEd MA MSc PhD	x					x	
Mr A Page BSc PGCE MBA	x			x	x		
Ms T Worth MBA FIOC FCILT	x				x		
Mrs K Dicker Norland NNEB	x			x			
Mrs P Lovatt Norland NNEB BSc	x					x	

#### Finance Committee

Reporting to the Board, the Finance Committee oversees 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 Strategic 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. The Finance Committee meets at least four times per year in advance of the meetings of the Board of Directors and at such other time as may be determined by the Chair of the Committee.

#### 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 through the company's Articles of Association. A Director is 'in attendance' at each meeting of the Academic Board and provides an oral report to the full Board. For degrees currently validated by the University of Gloucestershire, all matters relating to academic standards are considered with reference to their overarching responsibilities, policies and procedures. The powers and responsibilities of the Academic Board are subject to those of the University of Gloucestershire 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 determined by the Board. The Academic Board meets at least once per term. Additional meetings may be held with the agreement of the Principal.



# NORLAND COLLEGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### **Enterprise Committee**

The Enterprise Committee 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. 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, as well as other major institutional funders, which include the requirements of the financial memoranda. These comprise:

- Using public funds for proper purposes and achieving 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

The Audit committee ensures the above requirements and provides a further independent check on the College's financial and reporting activities. The Audit Committee and its Chair are appointed by the Board, from amongst its own members, and consists of members with no executive responsibility for the management of the College. The Chair of the Board cannot be a member. Membership of the Audit Committee is determined from time to time by the Board. A representative of the external auditors normally attends meetings where business relevant to them is discussed. Meetings are normally held twice each financial year with additional meetings held as necessary.

#### **Nominations and Governance Committee**

The Nominations and Governance Committee advises the Board on matters relating to the appointment of independent directors, the Chair and Vice Chair of the Board of Directors, the Principal, the Vice Principal and on all governance matters including the regular review of the effectiveness of the Board. It also advises on the appointment of the Chairs of the Board Committees. The Committee is chaired by the Chair of the Board. The Committee meets at least once a year with additional meetings held with the agreement of the Chair of the Board.

#### **Remuneration Committee**

The Remuneration Committee advises the Board on matters relating to the remuneration of the Principal and the Executive. Members are appointed to the Committee by the Board of Directors. The Principal is not a member of the Remuneration Committee. No individual is present during discussions or decisions reached in relation to their own remuneration. The Committee meets at least once a year. Additional meetings may be held with the agreement of the Chair of the Remuneration Committee.

#### **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. The Principal 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 2019

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#### *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 2019 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 2019 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
- A 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 Audit Committee on the implications 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 Strategic 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 2019

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### 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**

Date: 6/12/2019

# NORLAND COLLEGE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2019

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The directors present their annual report and financial statements for the year ended 31 July 2019.

#### 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	
Mrs C Mills (Vice Chair) BA IHSM	(Resigned 26 June 2019)
Mrs J Gaskell NNEB RSH BA (Hons) EYPS	(Resigned 27 March 2019)
Ms R Edwards BTEC HND	
Ms K England FCIPD	(Resigned 26 June 2019)
Mr P Hymans BSc Msc PGCert Cert Ed CEng MIMinE	
Mr M A Bray FCMA	
Mr C Jerram FRICS	
Ms C L Turner BEd (Hons)	
Mr A H Page BSc PGCE MBA	
Prof D Timms BEd MA MSc PhD	
Ms T Worth MBA FIOC FCILT	(Appointed 23 October 2019)
Mrs K Dicker Norland NNEB	(Appointed 23 October 2019)
Mrs P Lovatt NNEB Bsc	(Appointed 23 October 2019)
Ms R A Heald (Vice Chair) BA MA	

#### Results and distributions

The results for the year are set out on page 14. The profit for the year after taxation amounted to £529,089 (2018: £307,257). The Articles of Association prevent the company from declaring or paying any dividends, though it may pay qualifying distributions within the meaning of section 191 of the Corporation Tax Act 2010. Post year end, the directors intend to make a distribution to The Norland Foundation amounting to £593,642 (2018: £nil).

#### Directors indemnity

During the year the company used the College insurers to indemnify its directors. 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.

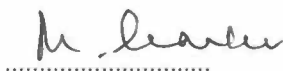
#### Strategic report

The company has chosen in accordance with Companies Act 2006, section 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

#### Statement of disclosure to auditor

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

Date: 6/12/2019

# **NORLAND COLLEGE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JULY 2019**

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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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## Opinion

We have audited the financial statements of Norland College Limited (the 'company') for the year ended 31 July 2019 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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)

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 11, 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.

### Use of our report

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

*RSM UK Audit LLP*

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  
*17 DECEMBER 19*

# NORLAND COLLEGE LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

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	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	4,657,975	4,356,119
Operating expenses		(4,294,019)	(3,966,304)
<b>Operating profit</b>	<b>5</b>	363,956	389,815
Interest receivable and similar income	<b>6</b>	41,761	37,450
Interest payable and similar expenses	<b>7</b>	(13,690)	(13,958)
<b>Profit before taxation</b>		392,027	413,307
Tax on profit	<b>8</b>	137,062	(106,050)
<b>Profit for the financial year</b>		529,089	307,257

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# NORLAND COLLEGE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2019

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	529,089	307,257
<b>Other comprehensive income net of taxation</b>		
Adjustments to the fair value of financial assets	27,122	32,178
<b>Total comprehensive income for the year</b>	<u>556,211</u>	<u>339,435</u>

## NORLAND COLLEGE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		9,388		28,165
Tangible assets	10		4,930,585		5,227,828
Investments	11		1,328,078		1,300,956
			<u>6,268,051</u>		<u>6,556,949</u>
<b>Current assets</b>					
Stocks	12	6,365		7,848	
Debtors	13	239,795		147,858	
Cash at bank and in hand		1,440,445		889,776	
		<u>1,686,605</u>		<u>1,045,482</u>	
<b>Creditors: amounts falling due within one year</b>	14	(708,965)		(712,189)	
<b>Net current assets</b>			<u>977,640</u>		<u>333,293</u>
<b>Total assets less current liabilities</b>			<u>7,245,691</u>		<u>6,890,242</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(452,844)		(516,544)
<b>Provisions for liabilities</b>	18		-		(137,062)
<b>Net assets</b>			<u><u>6,792,847</u></u>		<u><u>6,236,636</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		51		51
Fair value reserve	21		733,180		706,058
Profit and loss reserves	21		6,059,616		5,530,527
<b>Total equity</b>			<u><u>6,792,847</u></u>		<u><u>6,236,636</u></u>

The financial statements were approved by the board of directors and authorised for issue on 6/12/19 and are signed on its behalf by:



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



Dr Janet Rose MA PhD PGCE FHEA  
Principal of Norland College

# NORLAND COLLEGE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 August 2017</b>	51	673,880	5,223,270	5,897,201
<b>Year ended 31 July 2018:</b>				
Profit for the year	-	-	307,257	307,257
Other comprehensive income net of taxation: Adjustments to fair value of financial assets	-	32,178	-	32,178
Total comprehensive income for the year	-	32,178	307,257	339,435
<b>Balance at 31 July 2018</b>	51	706,058	5,530,527	6,236,636
<b>Year ended 31 July 2019:</b>				
Profit for the year	-	-	529,089	529,089
Other comprehensive income net of taxation: Adjustments to fair value of financial assets	-	27,122	-	27,122
Total comprehensive income for the year	-	27,122	529,089	556,211
<b>Balance at 31 July 2019</b>	51	733,180	6,059,616	6,792,847

# NORLAND COLLEGE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019		2018	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22	697,565		642,764	
Interest paid		(13,690)		(13,958)	
Income taxes paid		(97,334)		(78,709)	
<b>Net cash inflow from operating activities</b>		<b>586,541</b>		<b>550,097</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(15,607)		(232,266)	
Proceeds on disposal of tangible fixed assets		100		1,868	
Interest received		3,427		551	
Dividends received		38,334		36,899	
<b>Net cash generated from/(used in) investing activities</b>		<b>26,254</b>		<b>(192,948)</b>	
<b>Financing activities</b>					
Repayment of bank loans		(62,126)		(61,277)	
<b>Net cash used in financing activities</b>		<b>(62,126)</b>		<b>(61,277)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>550,669</b>		<b>295,872</b>	
Cash and cash equivalents at beginning of year		889,776		593,904	
<b>Cash and cash equivalents at end of year</b>		<b>1,440,445</b>		<b>889,776</b>	

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2019

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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 Strategic 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 £1.

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 financial statements have been prepared on a going concern basis.

##### Turnover

Turnover represents the value of 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.

##### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### Intangible fixed assets other than goodwill

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

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

Software and licences	3 years straight line
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# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies (Continued)

##### **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 less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	2.5% - 10% per annum of cost
Leasehold improvements	2.8% - 10% per annum of cost
Fixtures and fittings	20% per annum of cost
Office equipment	25% - 33% per annum of cost

Land is 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.

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

Cash and cash equivalents include cash in hand, deposits held at call with banks.

##### **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 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 other comprehensive income and where 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.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies (Continued)

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

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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.

##### **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 date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies (Continued)

##### 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 as an expense on a straight line basis over the term of the relevant lease.

#### 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

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Provision of services	4,657,975	4,356,119
	<u>4,657,975</u>	<u>4,356,119</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	4,592,008	4,286,016
Overseas	65,967	70,103
	<u>4,657,975</u>	<u>4,356,119</u>



# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### 4 Employees

The average monthly number of persons employed and remunerated by the company during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Senior management	6	6
Academic staff	34	25
Support staff	16	14
Agency staff	5	5
Research, consultancy & training	1	3
	<u>62</u>	<u>53</u>

The monthly number of persons employed and remunerated by the company on a full time equivalent basis during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Senior management	6	5
Academic staff	27	23
Support staff	13	11
Agency staff	4	4
Research, consultancy & training	1	4
	<u>51</u>	<u>47</u>

Their aggregate remuneration comprised:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,901,911	1,677,911
Social security costs	189,382	165,979
Pension costs	168,211	162,874
	<u>2,259,504</u>	<u>2,006,764</u>

During the year, no director was employed (2018: nil).

Details of directors remuneration under consulting arrangements is disclosed in note 25 of the financial statements.

The remuneration of key management personnel was £503,005 (2018: £444,397).

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### 5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	2,927	5,389
Fees payable to the company's auditor for the audit of the company's financial statements	12,750	12,250
Depreciation of owned tangible fixed assets	312,850	355,778
(Profit)/loss on disposal of tangible fixed assets	(100)	546
Amortisation of intangible assets	18,777	18,777
Cost of stocks recognised as an expense	1,483	369
Operating lease charges	80,458	110,178
	<u>          </u>	<u>          </u>

#### 6 Interest receivable and similar income

	2019	2018
	£	£
<b>Interest income</b>		
Interest on bank deposits	3,427	551
<b>Other income from investments</b>		
Dividends received	38,334	36,899
Total income	<u>41,761</u>	<u>37,450</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,427	551
Dividends from financial assets measured at fair value through other comprehensive income	38,334	36,899
	<u>          </u>	<u>          </u>

#### 7 Interest payable and similar expenses

	2019	2018
	£	£
<b>Other finance costs:</b>		
Other interest	13,690	13,958
	<u>          </u>	<u>          </u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	97,334
Adjustments in respect of prior periods	-	(10,192)
Total current tax	<u>-</u>	<u>87,142</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(137,062)	18,908
Total tax (credit)/charge	<u>(137,062)</u>	<u>106,050</u>

The total tax (credit)/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:

	2019 £	2018 £
Profit before taxation	<u>392,027</u>	<u>413,307</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	74,485	78,528
Tax effect of expenses that are not deductible in determining taxable profit	4,310	5,402
Gains not taxable	5,364	3,738
Change in unrecognised deferred tax assets	(847)	9,923
Adjustments in respect of prior years	-	(10,192)
Effect of change in corporation tax rate	-	(1,056)
Permanent capital allowances in excess of depreciation	35,885	25,832
Other differences	(6,405)	(6,125)
Gift aid payment to parent	(112,792)	-
Change in unrecognised deferred tax liability	(137,062)	-
Taxation (credit)/charge for the year	<u>(137,062)</u>	<u>106,050</u>

The Finance Bill 2016 has been enacted so as to reduce the corporation tax rate to 17% for the financial year 2020. Post year end, the College intends to make a qualifying distribution, within the meaning of section 191 of the Corporation Tax Act 2010, of £593,642 to its parent entity.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### 9 Intangible fixed assets

	Software and licences £
<b>Cost</b>	
At 1 August 2018 and 31 July 2019	56,331
<b>Amortisation and impairment</b>	
At 1 August 2018	28,166
Amortisation charged for the year	18,777
At 31 July 2019	46,943
<b>Carrying amount</b>	
At 31 July 2019	9,388
At 31 July 2018	28,165

#### 10 Tangible fixed assets

	Freehold property improvements £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 August 2018	1,487,116	3,987,838	571,589	352,549	6,399,092
Additions	-	-	-	15,607	15,607
Disposals	-	-	-	(901)	(901)
At 31 July 2019	1,487,116	3,987,838	571,589	367,255	6,413,798
<b>Depreciation and impairment</b>					
At 1 August 2018	409,547	161,035	336,934	263,748	1,171,264
Depreciation charged in the year	33,987	161,035	72,610	45,218	312,850
Eliminated in respect of disposals	-	-	-	(901)	(901)
At 31 July 2019	443,534	322,070	409,544	308,065	1,483,213
<b>Carrying amount</b>					
At 31 July 2019	1,043,582	3,665,768	162,045	59,190	4,930,585
At 31 July 2018	1,077,569	3,828,803	234,655	88,801	5,227,828

The amortisation and depreciation charge is included within operating expenses.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 11 Fixed asset investments

	2019 £	2018 £
Listed investments	1,328,078	1,300,956
<b>Listed investments included above:</b>		
Listed investments carrying amount	1,328,078	1,300,956

### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 August 2018	1,300,956
Valuation changes	27,122
At 31 July 2019	1,328,078
<b>Carrying amount</b>	
At 31 July 2019	1,328,078
At 31 July 2018	1,300,956

### 12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	6,365	7,848

### 13 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	40,520	53,580
Other debtors	8,491	10,888
Prepayments and accrued income	190,784	83,390
	239,795	147,858

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	63,654	62,080
Trade creditors		179,526	75,914
Corporation tax		-	97,334
Other taxation and social security		78,478	55,947
Deferred income		13,541	42,615
Other creditors		67,874	53,447
Accruals		305,892	324,852
		<u>708,965</u>	<u>712,189</u>

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

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	452,844	516,544

Amounts included above which fall due after five years are as follows:

Payable by instalments	181,733	252,152
------------------------	---------	---------

#### 16 Borrowings

	2019 £	2018 £
Bank loans	516,498	578,624
Payable within one year	63,654	62,080
Payable after one year	452,844	516,544

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 2017 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 long-term loan is secured by a fixed charge over the assets of the company.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 17 Financial instruments

	2019	2018
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	51,511	64,593
Equity instruments measured at cost less impairment	1,328,078	1,300,956
	<u>                    </u>	<u>                    </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,069,790	1,032,837
	<u>                    </u>	<u>                    </u>

### 18 Provisions for liabilities

	Notes	2019	2018
		£	£
Deferred tax liabilities	19	-	137,062
		<u>                    </u>	<u>                    </u>

### 19 Deferred taxation

Deferred tax 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 2019	Liabilities 2018
	£	£
<b>Balances:</b>		
Capital gains	-	80,115
Capital allowances	-	56,947
	<u>                    </u>	<u>                    </u>
	-	137,062
	<u>                    </u>	<u>                    </u>
<b>Movements in the year:</b>		2019
		£
Liability at 1 August 2018		137,062
Credit to profit or loss		(137,062)
		<u>                    </u>
Liability at 31 July 2019		-
		<u>                    </u>

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

#### 20 Share capital

	2019 £	2018 £
<b>Ordinary share capital Issued and fully paid</b>		
51 Ordinary shares of £1 each	51	51
	<u>51</u>	<u>51</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

#### 21 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.

#### 22 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	529,089	307,257
<b>Adjustments for:</b>		
Taxation (credited)/charged	(137,062)	106,050
Finance costs	13,690	13,958
Investment income	(41,761)	(37,450)
(Gain)/loss on disposal of tangible fixed assets	(100)	546
Amortisation of intangible assets	18,777	18,777
Depreciation of tangible fixed assets	312,850	355,778
<b>Movements in working capital:</b>		
Decrease in stocks	1,483	370
(Increase)/decrease in debtors	(91,937)	84,915
Increase/(decrease) in creditors	92,536	(207,437)
<b>Cash generated from operations</b>	<u>697,565</u>	<u>642,764</u>



# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 23 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:

	2019	2018
	£	£
Within one year	81,097	69,384
Between one and five years	272,319	254,306
In over five years	1,817,831	1,728,900
	<u>2,171,247</u>	<u>2,052,590</u>

#### 24 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

	2019	2018
	£	£
Teachers pension scheme contributions paid	110,217	116,541
Norland stakeholder pension scheme contributions paid	57,994	46,333
	<u>168,211</u>	<u>162,874</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 2016.

At the year end contributions of £26,092 (2018: £7,395) were outstanding and included in creditors.

##### Teachers pension scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### 24 Retirement benefits (Continued)

##### Valuation of the Teachers' Pension Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

# NORLAND COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### **25 Related party transactions**

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

Ms K England (a director of the company until her resignation on 26 June 2019) received consultancy fees of £8,589 (2018: £9,226). At the balance sheet date the amount due to Ms K England was £nil (2018: £700).

Ms R Heald (a director of the company) is married to the Managing Partner of the College's lead provider of legal services. The College received legal services totalling £45,996 (2018: £58,257). At the balance sheet date the amount outstanding was £3,068 (2018: £23,368). All transactions were entered into on an arm's length basis.

Prof D Timms (a director of the company) received consultancy fees of £nil (2018: £10,500). No amounts were outstanding at the balance sheet date (2018: £nil).

#### **26 Ultimate controlling party**

The ultimate parent entity is The Norland Foundation, a company limited by guarantee and incorporated in the United Kingdom. Company Registration No: 11077904 and Registered Charity No: 1180292. This is the smallest and largest group to consolidate these financial statements. Copies of the group financial statements are available from its registered office: York Villa, York Place, London Road, Bath, Somerset, BA1 6AE.

The College directors consider there to be no ultimate controlling party within The Norland Foundation.