

Company Registration No. 00193170 (England and Wales)

**NORLAND COLLEGE LIMITED (FORMERLY
NORLAND NURSERY TRAINING COLLEGE
LIMITED)**

**REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 JULY 2015**

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

COMPANY INFORMATION

Directors

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

Company number

00193170

Registered office

York Villa
York Place
London Road
Bath
Somerset
BA1 6AE

Auditors

RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Bankers

NatWest Bank Plc
119 High Street
Hungerford
Berkshire
RG17 OLX

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT FOR THE PERIOD ENDED 31 JULY 2015

NATURE, OBJECTIVES AND STRATEGIES

The directors present the strategic report and financial statements for the 11 months period ended 31 July 2015.

Change of Name and Accounting Period

During the year the company changed its name from Norland Nursery Training College Limited to Norland College Limited. It also changed its accounting reference date from 31 August to 31 July. Comparative figures are shown for the year ended 31 August 2014.

Principal Activities

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

Results and Dividends

The profit for the year after taxation amounted to £416,405. The members, who are all directors, derive no benefit from their shares, with any profits being reinvested for the benefit of the College. The Articles of Association prevent the company from declaring or paying any dividends. They also prevent asset distribution to any of its members.

Mission

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

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

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

Implementation of the Strategic Plan

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

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

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

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

Financial Objectives

The college's financial objectives are:

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

FINANCIAL POSITION

Financial results

The College had an operating surplus in the period of £320,335 (2013/2014: operating surplus £13,237) from continuing activities. It had no discontinued operations in 2014/2015 (2013/2014: nil). After taking investment income, similar income, asset disposal and corporation tax payable into account, the College had a profit for the period of £416,405 (2013/2014: profit of £94,009).

The College has an accumulated profit reserves of £4,015,970 (2013/2014: £3,500,945) and cash balances of £1,232,089 (2013/2014: £553,374).

Tangible fixed asset additions during the period amounted to £170,188 split between equipment purchases of £64,992 and assets in the course of construction £105,196. Further capital commitments of £175,094 for assets in the course of construction are due after the period end.

The College sold investments for £348,805 during the period to fund the tangible asset improvements. Revaluation of remaining investments resulted in a period end market value of £2,202,833 (2013/2014: £2,427,282), the revaluation reserve being £928,914 (2013/2014: £903,178).

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 the Financial Regulations.

Cash flows

The College had an increase in cash in the year of £678,715 (2013/14: reduction of £87,654) and a net cash inflow from operating activities of £440,058 (2013/14: outflow £76,569). The overall increase in cash reflects an improvement in operating profit, an increase in creditors and investment sales. Cash is being conserved to part fund a future accommodation strategy.

Liquidity

The College has no borrowings. During the year the College sold investments for £348,805 (2013/2014: £153,463). These funds are earmarked towards the College's future accommodation strategy, and partly reflected in its assets in the course of construction. The College cash balance of £1,232,089 (2013/2014: £553,374) at the year end supports a sound position of liquidity.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

In 2014/15, Norland delivered two courses – BA (Hons) Early Years Development and Learning (EYDL) 3 year full time programme and the BA (Hons) Level 6 Early Childhood Studies (ECS) 2 year part time top up programme. The Early Childhood Studies programme is discontinuing, being replaced by the Early Years Development and Learning programme. 2014/15 was the last year for students to start the Early Childhood Studies programme, which they will complete in 2016.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

Student numbers

Student numbers continue to increase as more first year students are recruited. Student numbers for 2014/2015 were as follows:

	Enrolled	Withdrawn/discontinued	Completed 2014/15 year
First Years (EYDL)	74	2	72
Second Years (EYDL)	62	2	60
Third Year (ECS)	76	2	74

Student intake in the current academic year (2015/16) has again risen, with 86 first years currently on programme.

Student Achievements & Curriculum Developments

Retention on the new BA EYDL programme remains strong, with 98% of second years and 97% of first years continuing their studies. This compares very favourably with similar courses in other institutions. This year, the new programme is to complete its first cycle and therefore no achievement data is available, although achievement at a module level is strong. Achievement on the BA ECS programme has historically been affected by the demands of studying alongside full time employment; despite this, 80% of those starting the level 6 completed their Honours degrees.

The Norland Diploma has been reviewed and re-written so that there is better integration with the degree programme. Placements have been re-organised so that they offer a more consistent and coherent experience for the students.

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

Other Activities

The Norland Agency consolidated its market position and reported eleven months turnover of £251,396 (2013/2014: £255,265), utilising effective marketing strategies and the current positive media profile surrounding Norland.

Other 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 showed continued growth, with turnover for the period of £188,957 (2013/2014: £142,491).

Future Developments

An exciting building programme is well underway in 2014-2015 to replace some of our current rented accommodation and to provide more space for our forecasted growth. As a temporary solution to the growing need for space, a suite of temporary building have been erected at York Place, Bath providing two bright and spacious teaching rooms and an additional student common room, as well as office space for staff.

PRINCIPAL RISKS AND UNCERTAINTIES:

The College has undertaken further work during the period 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.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

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

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

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

1. Student Loan funding

As a private college, Norland College is an alternative provider of Higher Education degree courses for student funding purposes. Students of the College have considerable reliance on continued government funding through access to student loans and grants. In 2014/15 the majority of the students at the College were eligible and accessed for student funding and this level of requirement is expected to continue. Rules for alternative suppliers were updated by HEFCE in August 2014 which requires providers to meet three criteria for their courses to be specifically designated for student support for the academic year 2015-2016.

The criteria are:

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

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

This risk is mitigated in a number of ways:

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

2. Downturn in operating performance

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

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.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

3. Inadequate classroom space and poor student facilities

The College is in an exceptional period of growth in its student numbers. The current accommodation at York Place is nearing full capacity. Continued growth demands additional high quality accommodation. A clear strategy is in place to address this need, however the risk of delay, financial considerations and operational difficulties in any significant build programme are very real.

This risk is mitigated in a number of ways:

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

GOVERNANCE AND INTERNAL CONTROL

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

Mr M Clarke (Chairman) MA FCA D.Univ FRSA
Reverend A Claridge (Vice Chairman) LRAM Dip. Ed MA
Mrs C Mills BAAIHS
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 (appointed 30 June 2015)
Mr M A Bray FCMA (appointed 30 June 2015)

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

The Directors are provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Directors meet at a minimum 3 times per academic year.

The Company conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Directors. During the period to 31st July 2015 the Company had the following committees which met each term:

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

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

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

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

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

Appointment of Directors

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

Remuneration Decisions

It is the responsibility of the Board of Directors to agree the remuneration and benefits of the Principal and other senior post-holders. The Directors do not receive any remuneration for their services as Directors.

Finance Committee

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

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

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

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

Quality Enhancement Committee

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

The QEC membership consists of 3 Directors, the Principal and Vice-Principal.

Estates Committee

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

The membership consists of 4 Directors, the Principal, Vice-Principal and Head of Finance & Estates.

Communications Committee

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

The Committee reports to the Board and the membership consists of 2 Directors, the Principal, Head of Commercial and Communications (CCS), Head of Human Resources (HR) and a staff representative.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

Health & Safety Committee

The purpose of the Health & Safety Committee is to ensure that the College's health, safety, welfare and security policies, procedures and practices are relevant and effective, and to assist in their implementation and review. The committee reports to the Board of Directors and is comprised of 1 Director, the Principal, the Fire Safety Officer, together with student and staff representatives.

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the period ended 31 July 2015 and up to the date of approval of the report and accounts for the accounting period.

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 period ending 31 July 2015 and up to the date of approval of the report and accounts. This process is regularly reviewed by the Directors.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

The risk and control framework

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

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

Review of effectiveness

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

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

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

The senior leadership team 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 risk awareness training. The senior leadership team and the Finance Committee also receive regular reports from the Head of Finance, which includes recommendations for improvement. The Finance Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Director's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Finance Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2014 meeting, the Directors carried out the annual assessment for the year ended 31 August 2014 by considering documentation from the senior leadership team and taking account of events since 31 August 2014.

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.

On behalf of the board



Mr M Clarke (Chairman)

Director

14/12/15

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 2015

The directors present their report and financial statements for the period ended 31 July 2015.

Results and dividends

The company's trading profit for the period, after taxation was £416,405 (2014 profit £94,009).

Matters of strategic importance

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 to the company.

Directors

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

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

Reverend A Claridge LRAM DipED MA

Mrs C Mills BA IHSM

Mrs J Gaskell NNEB RSH BA (Hons) EYPS

Ms R Edwards BTEC HND

Ms K England FCIPD

Mr P Hymans BSc Msc PGCert Cert Ed CEng MIMinE

Mr M A Bray FCMA

(Appointed 30 June 2015)

Mr C Jerram FRICS

(Appointed 30 June 2015)


Auditors

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

Statement of disclosure to auditors

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

On behalf of the board



Mr M Clarke (Chairman)

Director

14/12/15

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2015

The directors are responsible for preparing the Strategic Report, 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 (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

We have audited the financial statements on pages 12 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Mantel (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Davidson House

Forbury Square

Reading

Berkshire

RG1 3EU

12/12/15

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JULY 2015

		Period ended 31 July 2015 £	Year ended 31 August 2014 £
	Notes		
Turnover	2	2,428,355	2,067,978
Administrative expenses		(2,108,020)	(2,054,741)
Operating profit		320,335	13,237
Disposal of fixed asset investments		(621)	(3,463)
Profit on ordinary activities before interest and investment income		319,714	9,774
Investment income	3	61,905	88,202
Other interest receivable and similar income	4	1,282	2,191
Interest payable and similar charges	5	(7)	-
Profit on ordinary activities before taxation	6	382,894	100,167
Tax on profit on ordinary activities	9	33,511	(6,158)
Profit for the financial period	20	416,405	94,009

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY
TRAINING COLLEGE LIMITED)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 JULY 2015**

	Period ended 31 July 2015 £	Year ended 31 August 2014 £
Profit for the financial period	416,405	94,009
Unrealised surplus on revaluation of investments	124,977	194,475
	<hr/>	<hr/>
Total recognised gains and losses relating to the period	541,382	288,484
	<hr/>	<hr/>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

BALANCE SHEET AS AT 31 JULY 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10	1,574,637		1,514,973	
Investments	11	2,202,833		2,427,282	
		<u>3,777,470</u>		<u>3,942,255</u>	
Current assets					
Stocks	12	8,053		2,308	
Debtors	13	298,362		176,571	
Cash at bank and in hand		1,232,089		553,374	
		<u>1,538,504</u>		<u>732,253</u>	
Creditors: amounts falling due within one year	14	<u>(371,039)</u>		<u>(270,334)</u>	
Net current assets			1,167,465		461,919
Total assets less current liabilities			<u>4,944,935</u>		<u>4,404,174</u>
Net assets			<u>4,944,935</u>		<u>4,404,174</u>
Capital and reserves					
Called up share capital	16		51		51
Revaluation reserve	20		928,914		903,178
Profit and loss account	20		4,015,970		3,500,945
Shareholders' funds			<u>4,944,935</u>		<u>4,404,174</u>

The financial statements on pages 12 to 27 were approved by the board of directors and authorised for issue on 14/12/15 and are signed on its behalf by:



Mr M Clarke (Chairman)
Director

**NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY
TRAINING COLLEGE LIMITED)**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 JULY 2015**

		Period ended 31 July 2015 £	Year ended 31 August 2014 £
	Notes		
Net cash inflow/(outflow) from operating activities	18	440,058	(76,569)
Returns from investment and servicing of finance	18	63,180	86,930
Taxation		(4,935)	(1,223)
Capital expenditure and financial investment	18	180,412	(96,792)
Cash inflow/(outflow) before management of liquid resources and financing		678,715	(87,654)
Increase/(decrease) in cash in the period		<u>678,715</u>	<u>(87,654)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash in the period		678,715	(87,654)
Change in net debt resulting from cash flows		678,715	(87,654)
Movement in net funds in the period		678,715	(87,654)
Opening net funds		553,374	641,028
Closing net funds	18	<u>1,232,089</u>	<u>553,374</u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2015

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

Turnover

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

Tangible fixed assets and depreciation

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

Freehold property	0% - 10% per annum of cost
Leasehold property	over remaining lease term
Office equipment	25% - 33% per annum of cost
Fixture and fittings	15% - 33% per annum of cost

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Investments

Income from listed investments is accounted for on an accruals basis. Listed investments are stated at market value. Unrealised investment gains are not recognised in the profit and loss account unless they are reversing previously recognised gains.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in first-out method and includes the normal cost of transporting stock to its present location and condition.

Pensions

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 (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

1 Accounting policies (Continued)

Deferred taxation

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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

Geographical market

	Turnover 2015 £	2014 £
United Kingdom	2,365,617	1,923,402
Overseas	62,738	144,576
	<u>2,428,355</u>	<u>2,067,978</u>

3 Investment income

	2015 £	2014 £
Interest income from fixed asset investments	14,773	22,482
Dividend income from fixed asset investments	47,132	65,720
	<u>61,905</u>	<u>88,202</u>

**NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY
TRAINING COLLEGE LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2015**

4	Other interest receivable and similar income	2015	2014
		£	£
	Bank interest	1,282	2,191
		<u> </u>	<u> </u>
5	Interest payable and similar charges	2015	2014
		£	£
	Other interest	7	-
		<u> </u>	<u> </u>
6	Profit on ordinary activities before taxation	2015	2014
		£	£
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	106,653	113,098
	Loss on disposal of tangible assets	1,455	365
	Auditors' remuneration for statutory audit	9,150	8,950
		<u> </u>	<u> </u>
7	Disposal of fixed asset investments	2015	2014
		£	£
	(Profit) / loss on disposal of fixed asset investments	621	3,463
		<u> </u>	<u> </u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

8 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2015 Number	2014 Number
Senior management	4	5
Academic staff	12	10
Support staff	8	10
Agency staff	4	3
	<u>28</u>	<u>28</u>

Employment costs

	2015 £	2014 £
Wages and salaries	963,433	1,002,794
Social security costs	79,290	76,411
Other pension costs	66,255	61,714
	<u>1,108,978</u>	<u>1,140,919</u>

9 Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
U.K. corporation tax	3,090	4,935
Adjustment in respect of prior years	-	1,223
Total current tax	<u>3,090</u>	<u>6,158</u>
Deferred tax		
Origination and reversal of timing differences	(36,601)	-
Total tax on profit on ordinary activities	<u>(33,511)</u>	<u>6,158</u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

9 Tax on profit on ordinary activities (Continued)

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax of 20.00% (2014 - 20.00%). The differences are explained below:

Profit on ordinary activities before taxation	382,894	100,167
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	76,579	20,033
Effects of:		
Expenses not deductible for tax purposes	22,037	878
Fixed asset differences	6,705	-
Capital allowances for period in excess of depreciation	158	(5,974)
Utilisation of tax losses	(85,087)	(920)
Adjustments to previous periods	-	1,223
Dividends and distributions received	(9,426)	(13,144)
Other tax adjustments	(7,876)	4,062
	(73,489)	(13,875)
Current tax charge for the period	3,090	6,158

The company has estimated losses of £510,101 (2014 - £935,000) available for carry forward against future trading profits.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

10 Tangible fixed assets

	Freehold & leasehold property £	Office equipment £	Fixture and fittings £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 September 2014	1,494,397	186,015	227,578	60,487	1,968,477
Additions	-	18,348	46,644	105,196	170,188
Disposals	-	(9,491)	-	-	(9,491)
At 31 July 2015	1,494,397	194,872	274,222	165,683	2,129,174
Depreciation					
At 1 September 2014	279,621	94,576	79,307	-	453,504
On disposals	-	(5,620)	-	-	(5,620)
Charge for the period	33,523	38,108	35,022	-	106,653
At 31 July 2015	313,144	127,064	114,329	-	554,537
Net book value					
At 31 July 2015	1,181,253	67,808	159,893	165,683	1,574,637
At 31 August 2014	1,214,776	91,439	148,271	60,487	1,514,973

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2014	2,427,282
Revaluation	124,356
Disposals	(348,805)
At 31 July 2015	2,202,833
Net book value	
At 31 July 2015	2,202,833
At 31 August 2014	2,427,282

12 Stocks

	2015 £	2014 £
Finished goods and goods for resale	8,053	2,308

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

13 Debtors	2015 £	2014 £
Trade debtors	16,301	87,362
Other debtors	26,522	43,967
Prepayments and accrued income	218,938	45,242
Deferred tax asset (see note 15)	36,601	-
	<u>298,362</u>	<u>176,571</u>

14 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	77,562	65,314
Corporation tax	3,090	4,935
Other taxation and social security costs	34,374	21,606
Other creditors	38,940	35,001
Accruals and deferred income	217,073	143,478
	<u>371,039</u>	<u>270,334</u>

15 Provisions for liabilities

The deferred tax asset (included in debtors, note 13) is made up as follows:

	2015 £	2014 £
Profit and loss account	<u>(36,601)</u>	
	2015 £	2014 £
Tax losses available	<u>(36,601)</u>	<u>-</u>

The directors have decided to recognise a deferred tax asset this year in respect of losses due to the certainty of expected future profits to be made.

16 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
51 Ordinary shares of £1 each	<u>51</u>	<u>51</u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

17 Commitments under operating leases

At 31 July 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2016:

	Other	
	2015	2014
	£	£
Operating leases which expire:		
Within one year	136,988	4,835
Between two and five years	21,000	24,177
	<u>157,988</u>	<u>29,012</u>

18 Notes to the cash flow statement

Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating profit	320,335	13,237
Depreciation of tangible assets	106,653	113,098
Loss on disposal of tangible assets	1,455	365
(Increase)/decrease in stocks	(5,745)	2,463
(Increase)/decrease in debtors	(85,190)	21,431
Increase/(decrease) in creditors	102,550	(227,163)
Net cash inflow/(outflow) from operating activities	<u>440,058</u>	<u>(76,569)</u>

Analysis of cash flows for headings netted in the cash flow statement

	Period ended 31 July 2015 £	Year ended 31 August 2014 £
Returns on investments and servicing of finance		
Interest received	16,055	24,673
Dividends received	47,132	65,720
Interest paid	(7)	-
Loss on disposal of fixed asset investments	-	(3,463)
Net cash inflow for returns on investments and servicing of finance	<u>63,180</u>	<u>86,930</u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

18 Notes to the cash flow statement (Continued)

Capital expenditure and financial investment

Purchase of tangible assets	(170,188)	(250,339)
Receipts from sale of tangible assets	1,795	84
Receipts from sale of other investments	348,805	153,463
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from capital expenditure & financial investment	180,412	(96,792)
	<u> </u>	<u> </u>

Analysis of net funds

	1 September 2014 £	Cash flow £	Other non- cash changes £	31 July 2015 £
Net cash:				
Cash at bank and in hand	553,374	678,715	-	1,232,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net funds	553,374	678,715	-	1,232,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Capital commitments

2015
£

2014
£

At 31 July 2015 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	175,094	133,115
	<u> </u>	<u> </u>

20 Reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2014	903,178	3,500,945
Profit for the period	-	416,405
Transfer from revaluation reserve to profit and loss account	(98,620)	98,620
Unrealised gain on trade investments	124,356	-
	<u> </u>	<u> </u>
Balance at 31 July 2015	928,914	4,015,970
	<u> </u>	<u> </u>

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

21 Related party relationships and transactions

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

Reverend A Claridge (a director of the company) received chaplaincy fees of £618 (2014: £618). At the balance sheet date the amount due to Reverend A Claridge was £nil (2014: £nil).

Ms K England (a director of the company from 27 January 2014) received consultancy fees of £8,106 (2014: £5,850). At the balance sheet date the amount due to Ms K England was £1,254 (2014: £600).

Ms R Edwards (a director of the company) received consultancy fees of £nil (2014: £200). At the balance sheet date the amount due to Ms R Edwards was £nil (2014: £nil).

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

22 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

	2015	2014
	£	£
Teachers pension scheme contributions paid	54,022	48,920
Norland stakeholder pension scheme contributions paid	12,233	12,794
Total pension contributions paid in the year	66,255	61,714

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers pension scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. 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 teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

NORLAND COLLEGE LIMITED (FORMERLY NORLAND NURSERY TRAINING COLLEGE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2015

22 Retirement benefits (Continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation and the subsequent consultation are:

- Employer contribution rates were set at 16.48% of pensionable pay (including a 0.08% levy for administration);
- Total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherpensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The pension costs paid to TPS in the year amounted to £54,022 (2014: £48,920).

FRS 17:

Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.