

Company Registration No. 00193170 (England and Wales)

NORLAND COLLEGE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2023

NORLAND COLLEGE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr M Clarke (Chairman) MA FCA D. Univ FRSA Ms R Heald (Vice Chair) BA Mr M Bray FCMA Ms J Davies LLB (Hons) Mrs K Dicker NNEB Ms R Edwards BTEC HND Mr C Jerram FRICS (resigned 29 June 2023) Prof D Timms BEd MA MSc PhD Ms C L Turner BEd (Hons) (resigned 9 October 2023) Ms T Worth MBA FIOC FCILT Mr J Sykes MBA CeMAP Cert Ed CIPD (resigned 14 September 2023) |
| Executive | Dr J Rose MA PhD PGCE FHEA (Principal) Mrs A Edmond MA (Vice Principal) Mrs E Burns MPhil FCCA |
| Company number | 00193170 |
| Registered office | York Villa York Place London Road Bath Somerset BA1 6AE |
| Auditor | RSM UK Audit LLP Chartered Accountants 1 The Square Temple Quay Bristol BS1 6AD |
| Bankers | NatWest Bank Plc Chatham Customer Service Centre Waterside Court Western Avenue Chatham Maritime Kent ME4 4RT |
| Solicitors | Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA |

NORLAND COLLEGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2023

NATURE, OBJECTIVES AND STRATEGIES

The directors present their strategic report and financial statements for the year ended 31 July 2023.

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 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.

Ownership

Norland College Limited (the College) is a subsidiary of The Norland Foundation (the Foundation), registered charity no. 1180292, whose objectives are closely related to those of the College. The consolidated accounts of the Foundation for the year ended 31 July 2023 are available on the Charity Commission's website.

Mission

The College's mission statement 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

A new five-year strategic plan was implemented during the year. The College's strategic aims during the period 2022-2027 are:

- Norland will provide the highest quality of educational provision, supporting a diverse range of students to become nurturing, knowledgeable, skilled and resilient early years practitioners with excellent graduate outcomes working in partnership with children, families and communities to inspire the next generation.
- Norland Agency will increase access to lifelong career opportunities and specialist services for Norlanders and families, support Norlanders to engage in enhanced continuing professional development and actively promote the status and value of the nanny profession.
- Norland will build an inclusive, progressive and charitable community, upholding its reputation as a unique and specialist Higher Education provider of highly qualified nannies and early years practitioners.
- Norland will work with staff to nurture and develop the professionalism, wellbeing and expertise of all staff, driving cohesive and progressive change, building leadership capability, diversity and ensuring professional respect.
- Norland will be a leading provider in the early years sector by generating research and premier training and consultancy in childcare provision and in related services, both nationally and internationally.
- Norland will be progressive in developing and implementing more ecological, ethical and socially responsible practices in order to contribute to a sustainable future for all.

A series of key performance indicators have been agreed to monitor the successful implementation of the strategic plan and are monitored by the College Board.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

FINANCIAL POSITION

Financial results

The College had an operating profit for the year of £221,211 (2022: £201,170) from continuing activities. After taking interest receivable and similar income, interest payable and similar expenses, and taxation, the College returned a profit of £234,649 (2022: £201,714).

At the balance sheet date, the College has accumulated reserves of £4,999,036 (2022: £5,044,987) including cash balances of £1,003,486 (2022: £1,059,280).

Intangible fixed assets additions during the year amounted to £10,548 (2022: £85,620), the previous year's addition being the purchase of a new student records system. Tangible fixed asset additions during the year were all equipment purchases and amounted to £60,867 (2022: £66,878).

Treasury policies and objectives

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

Cash flows

The College had a decrease in cash in the year of £55,794 (2022: decrease of £143,090) and a net cash inflow from operating activities of £282,783 (2022: inflow £373,638). Cash continues to be carefully managed.

Liquidity

The College's cash balance at the year-end was £1,003,486 (2022: £1,059,280) supporting a sound position of liquidity.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

In 2022/23 the College delivered a BA (Hons) Early Years Development and Learning (EYDL) 3-year full time degree programme, in conjunction with the Norland Diploma. All students studied both programmes.

Student Numbers

Student numbers for 2022/2023 were as follows:

| | Enrolled for 2022/23 | Withdrawn/discontinued | Completed 2022/23 |
|--------------|----------------------|------------------------|-------------------|
| First Years | 107 | 9 | 98 |
| Second Years | 94 | 1 | 93 |
| Third years | 74 | 2 | 72 |

Student intake for the current academic year (2023/24) is in line with expectations, with 97 first years enrolling in September 2023.

Student Achievements & Curriculum Developments

In 2022/23 62.5% of our third year students who completed their degrees achieved a first class or 2:1 classification. This is a drop over 21/22 and has brought this indicator in line with previous years, following a careful internal focus on ensuring that there is no grade inflation. Retention on the BA EYDL programme remains strong, with 90% of first, 99% of second and 97% of third years continuing their studies throughout 202/23, comfortably above the regulator's threshold requirements.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Norland was awarded top small or specialist provider in the 2023 Whatuni Student Choice awards, making the College a top two Whatuni winner for six consecutive years.

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.

Overseas Consultancy

During the year ended 31 July 2023, Norland entered into a significant contract with the Abu Dhabi Early Childhood Authority, to provide expert consultancy advice and support on the development of its flagship Academy for Childhood Development. The Academy will offer accredited early childhood care and education training to equip learners with the theoretical knowledge and practical skills required to provide high quality professional care for babies and young children. Drawing on Norland's 131 years of experience at the forefront of early years education and training, the Academy for Childhood Development will make the UAE a pioneer in developing the education and skills of its childcare workforce across all settings including home-based childcare.

In the year ended 31 July 2023, the contract resulted in income of £834,800 for Norland, and related costs of £504,363, representing the majority of income and costs for Phase 1 (set up) of the Academy. Phase 1 was completed by 31 August 2023. Further support will be given to the Academy as part of Phase 2 during the year ending 31 July 2024, but this is not expected to be material to the financial statements.

Other Activities

The Norland Agency enjoyed another fruitful year capitalising on the increased student numbers completing the full course and the continued positive media interest surrounding Norland.

Other important activities relate to our corporate training courses for established UK and overseas companies and Continuing Professional Development (CPD) courses for qualified Norlanders.

Financial Key Performance Indicators (KPIs)

College Committees and the Board monitor 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 bursaries. Demand for our students after qualification remains high. See below:

| | |
|--|-------|
| 2023 graduates obtaining a first class or an upper second-class degree | 62.5% |
| 22/23 retention rate set 44 (third year students) | 97.3% |
| 22/23 retention rate set 45 (second year students) | 98.9% |
| 22/23 retention rate set 46 (first year students) | 90.2% |
| Total students to total staff ratio | 3.88 |
| Total students to teaching staff (degree and diploma) ratio | 14.94 |
| Jobs per Norlander actively looking at 31 July 2023 | 4.9 |

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Future Developments

In 2018/19 Norland successfully gained Taught Degree Awarding Power. It remains actively working towards its application for Indefinite Degree Awarding Power, and then University title in a further 2-3 years later, although this process has been delayed due to changes in the regulatory framework and designated bodies. Norland continues to review and consider its future college and student accommodation needs, to ensure best provision for its students and staff, as well as developing ambitious plans to expand its consultancy and commercial income streams. A new 5-year strategic plan has been implemented in the 2022/23 academic year. In addition, it continues to work closely with its charitable holding company, The Norland Foundation.

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 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 affecting the College at the current time. Other factors may also adversely affect the College.

1. Affordability

The College's fees are higher than those charged by a mainstream university, due to the fact that tuition is intensive and resource-heavy, and also because students' study for both a degree and the Norland Diploma. Added to this, the government loan set for Independent Higher Education providers is lower than that set for mainstream institutions. As a result, affordability is a challenge for many potential and current students.

This risk is mitigated by continued investment in student recruitment, regular review of the bursary provision and sources of available funding for students, and support for students with managing budgets and personal finances.

2. Staff Retention

Shifts in employment patterns following the pandemic, plus pressure on household finances during a period of high inflation result in the risk that staff will leave the College for lucrative employment elsewhere.

This risk is mitigated by regular review of staff incentives such as bonus provision, benefits and flexible working.

3. Inflation and Economic Pressures

Cost increases due to inflation result in the risk of Norland being unable to deliver its services within the budget available.

This risk is mitigated by regular forecasting and review of expenditure. Additionally, commercial activity has been revived following the pandemic, with a significant contract already fulfilled, and more in the pipeline. Also, the Norland Agency continues to exceed its revenue targets.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Business Continuity Plan

The College maintains a dynamic and detailed Business Continuity Plan. The plan is regularly updated to reflect the College'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 College Board of Directors (the 'Board') is responsible for the statutory oversight of the College to ensure it continues to meet 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 2020. 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 with additional meetings held with the agreement of the Chair of the Board. The College keeps the Board informed of all relevant activity and directors undertake any necessary training.

The directors are not employed by the College and do not receive remuneration for their director services. All directors are therefore independent. The Principal is a member of the Board ex-officio. The College Executive are in attendance and make reports to the Board. There is one staff and one student member (elected by their peers) on the Board, who are co-opted. Neither ex-officio and co-opted members, or the Executive, have voting right.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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 (Chair) MA FCA D. Univ FRSA | x | x | x | | | x | x |
| Mrs R Heald (Vice Chair) BA | x | x | x | x | | | |
| Mr M Bray FCMA | x | x | | | | | x |
| Ms J Davies LLB (Hons) | x | | | | x | | x |
| Mrs K Dicker Norland NNEB | x | | | x | | | |
| Ms R Edwards BTEC HND | x | | | x | | x | |
| Mr C Jerram FRICS | x | x | | | | x | |
| Prof D Timms BEd MA MSc PhD | x | | | | x | x | |
| Mrs C Turner BEd (Hons) | x | x | | x | | | x |
| Ms T Worth MBA FIOC FCILT | x | | x | | x | x | |
| Mr John Sykes MBA CeMAP Cert Ed CIPD | x | x | | | x | | |

Finance Committee

Reporting to the Board, the Finance Committee oversees the financial strategy and financial management of the College to ensure that it meets the needs of students, enables the enhancement of the learning experience and maintains academic standards. The Principal and Chief Financial Officer attend all Finance Committees, to present reports from the Executive including those on financial performance, estates, 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 at the College and delegates this responsibility to the Academic Board through the College'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. 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 with the Principal acting as Chair. Additional meetings may be held with the agreement of the Chair.

NORLAND COLLEGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Enterprise Committee

The Enterprise Committee maintains oversight of matters relating to the College's commercial activities including alumni, brand protection, external consultancy and training, Norland Agency and marketing. The Enterprise Committee has regard to the ethos and values of the College in protecting the 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 to the Principal the day-to-day responsibility 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 the Accountable Officer in relation to the OfS registration. 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 2023

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 compliance with 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 2022 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 2023 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. It includes:

- A comprehensive budgeting system 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.
- Use of a Financial Protocol (part of a Delegation Protocol) and formal project management disciplines
- A strong academic committee structure, comprising an Academic Board, supported by a Quality and Standards Committee, Programme Committee, Progression and Awards Board and Assessment Board
- A highly effective and open working partnership with students
- A strong academic framework, made up of clear academic regulations, with effective and approved policies and procedures.
- A robust mechanism for managing and approving academic change.

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.
- A comprehensive college wide Risk Register
- Comments made by the College's Auditors in their 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.

All Committees 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 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 2023

Role of the Auditor

External Auditors inspect clients' accounting records and express an opinion as to whether their financial statements are presented fairly in accordance with the applicable accounting standards of the entity, such as Generally Accepted Accounting Principles (GAAP). Their 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 their opinion. The College does not have formal internal audit arrangements and therefore does not have an Internal Auditor.

Going Concern

The directors have carefully considered the future financial position of the College. The directors have reviewed three trading scenarios covering an expected case, a worsening case and a worst case. Forecasts and cash flows for each scenario up to 31 July 2025 indicate the College has adequate cash and other reserves to withstand, as well as the ability to adapt to, the worst-case scenario, should it occur, without the requirement for external funding. At present, there is no expectation that the College will suffer a significant reduction in student numbers or income for the current financial year ending 31 July 2024, and the forecasted budget for the financial year ending 31 July 2025 anticipates an operating profit and that the College will continue to meet its liabilities as they fall due.

A Deed of Undertaking between the Foundation and the College gives legal reassurance that the Foundation will support the College in the implementation of its Strategic Plan and to ensure the College's compliance with the OfS Framework. This includes a provision of sufficient financial support to allow the College to comply with the financial obligations imposed on it by the Framework or by the Foundation directly meeting such financial obligations. If the value of the Foundation's investment assets fell (e.g., by 20%), the assurance of support given by the Foundation to the College within the Deed, is shown to remain secure. The total cash and investment resources held within the College and the Foundation, and this binding Deed of Understanding between the College and Foundation which strengthens the commitment from the Foundation to support the College, provides reliable assurance to the directors that the College remains a going concern and therefore the use of the going concern basis of accounting in the preparation of these financial statements remains appropriate.

Signed on behalf of the Board



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

Date: 07 December 2023

NORLAND COLLEGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

The directors present their annual report and financial statements for the year ended 31 July 2023.

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
Ms R A Heald (Vice Chair) BA
Mr M A Bray FCMA
Ms J Davies LLB (Hons)
Mrs K Dicker NNEB
Ms R Edwards BTEC HND
Mr C Jerram FRICS (resigned 29 June 2023)
Prof D Timms BEd MA MSc PhD
Ms C L Turner BEd (Hons) (resigned 9 October 2023)
Ms T Worth MBA FIOC FCILT
Mr J Sykes MBA CeMAP Cert Ed CIPD (resigned 14 September 2023)
Mr R Maccabee BA Hons (Oxon) PG Dip and PGCE (appointed 9 October 2023)

Results and distributions

The results for the year are set out on page 2. The profit for the year after taxation amounted to £234,649 (2022: profit for the year £201,714). 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. During the year, the directors made a distribution of £280,600 (2022: 364,774) to the Foundation. Post year end, the directors intend to make a distribution to the Foundation amounting to £148,411 (2022: £100,600).

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: 07 December 2023

NORLAND COLLEGE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2023

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
FOR THE YEAR ENDED 31 JULY 2023**

Opinion

We have audited the financial statements of Norland College Limited (the 'company') for the year ended 31 July 2023 which comprise 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 2023 and of its income and expenditure, gains and losses, changes in reserves and cash flows 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORLAND COLLEGE LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- Funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the Office for Students, UK Research and Innovation (including Research England) the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- The requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

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.

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.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- The College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORLAND COLLEGE LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Regulatory Advice 9:Accounts Direction published by the Office for Students and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Children Act 1989 and 2004, the Office for Students Conditions of Registration and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition on the consultancy income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the recognition of the consultancy contract.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORLAND COLLEGE LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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.

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

19/12/23
.....

NORLAND COLLEGE LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 JULY 2023**

| | Notes | 2023 £ | 2022 £ |
|--|----------|---------------------|---------------------|
| Turnover | 3 | 5,863,958 | 4,827,011 |
| Operating expenses | | (5,642,747) | (4,625,841) |
| Other operating income | | - | - |
| | | <hr/> | <hr/> |
| Operating profit | 5 | 221,211 | 201,170 |
| Interest receivable and similar income | 6 | 13,438 | 544 |
| | | <hr/> | <hr/> |
| Profit before taxation | | 234,649 | 201,714 |
| Tax on profit | 7 | - | - |
| | | <hr/> | <hr/> |
| Profit for the financial year | | <hr/> 234,649 <hr/> | <hr/> 201,714 <hr/> |

NORLAND COLLEGE LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023**

| | Notes | £ | 2023 £ | £ | 2022 £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed Assets | | | | | |
| Intangible Assets | 9 | | 82,611 | | 80,625 |
| Tangible Assets | 10 | | 4,028,168 | | 4,214,122 |
| | | | 4,110,779 | | 4,294,747 |
| Currents Assets | | | | | |
| Stocks | 11 | 8,643 | | 7,338 | |
| Debtors | 12 | 623,498 | | 271,402 | |
| Cash at bank and in hand | | 1,003,486 | | 1,059,280 | |
| | | 1,635,627 | | 1,338,020 | |
| Creditors: amounts falling due within one year | 13 | (747,319) | | (587,729) | |
| Net Current Assets | | | 888,308 | | 750,291 |
| Total Assets less Current Liabilities | | | 4,999,087 | | 5,045,038 |
| Capital and Reserves | | | | | |
| Called up share capital | 14 | | 51 | | 51 |
| Profit and loss reserves | | | 4,999,036 | | 5,044,987 |
| Total Equity | | | 4,999,087 | | 5,045,038 |

The financial statements were approved by the board of directors and authorised for issue on 06 December 2023 and are signed on its behalf by:



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



.....
Dr J Rose MA PhD PGCE FHEA
Principal of Norland College

NORLAND COLLEGE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|-----------------------|----------------------------------|------------|
| Balance at 1 August 2021 | | 51 | 5,208,047 | 5,208,098 |
| Year ended 31 July 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 201,714 | 201,714 |
| Distributions to parent charity under gift aid | 8 | - | (364,774) | (364,774) |
| Balance at 31 July 2022 | | 51 | 5,044,987 | 5,045,038 |
| Year ended 31 July 2023: | | | | |
| Profit and total comprehensive income for the year | | - | 234,649 | 234,649 |
| Distributions to parent charity under gift aid | 8 | - | (280,600) | (280,600) |
| Balance at 31 July 2023 | | 51 | 4,999,036 | 4,999,087 |

NORLAND COLLEGE LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023**

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 16 | | 282,783 | | 373,638 |
| Investing activities | | | | | |
| Purchase of intangible assets | | (10,548) | | (85,620) | |
| Purchase of tangible fixed assets | | (60,867) | | (66,878) | |
| Interest received | | 13,438 | | 544 | |
| Net cash used in investing activities | | | (57,977) | | (151,954) |
| Financing activities | | | | | |
| Distributions paid | | (280,600) | | (364,774) | |
| Net cash used in financing activities | | | (280,600) | | (364,774) |
| Net (decrease)/increase in cash and cash equivalents | | | (55,794) | | (143,090) |
| Cash and cash equivalents at beginning of year | | | 1,059,280 | | 1,202,370 |
| Cash and cash equivalents at end of year | | | 1,003,486 | | 1,059,280 |

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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"), the requirements of the Companies Act 2006 and Regulatory Advice 9: Accounts Direction issued by the Office for Students.

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. The principal accounting policies adopted are set out below.

Going concern

The directors have carefully considered the future financial position of the College. The directors have reviewed three trading scenarios covering an expected case, a worsening case and a worst case. Forecasts and cash flows for each scenario up to 31 July 2025 indicate the College has adequate cash and other reserves to withstand, as well as the ability to adapt to, the worst-case scenario, should it occur, without the requirement for external funding. At present, there is no expectation that the College will suffer a significant reduction in student numbers or income for the current financial year ending 31 July 2024, and the forecasted budget for the financial year ending 31 July 2025 anticipates an operating profit and that the College will continue to meet its liabilities as they fall due.

A Deed of Undertaking between the Foundation and the College gives legal reassurance that the Foundation will support the College in the implementation of its Strategic Plan and to ensure the College's compliance with the OfS Framework. This includes a provision of sufficient financial support to allow the College to comply with the financial obligations imposed on it by the Framework or by the Foundation directly meeting such financial obligations. If the value of the Foundation's investment assets fell (e.g. by 20%), the assurance of support given by the Foundation to the College within the Deed, are shown to remain secure. The total cash and investment resources held within the College and the Foundation, and this binding Deed of Understanding between the College and Foundation which strengthens the commitment from the Foundation to support the College, provides reliable assurance to the directors that the College remains a going concern and therefore the use of the going concern basis of accounting in the preparation of these financial statements remains appropriate.

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. Consultancy income is recognised in line with delivery of consultancy services.

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 less accumulated amortisation and accumulated impairment losses.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies (Continued)

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 to 10 years straight line |
| Assets in the course of construction | No amortisation |

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% - 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 |

For leasehold improvements, the term of the lease is 35 years commencing from 2017, hence a rate of 2.8% is applied to those assets expected to last for the entirety of the lease term. Other assets may be depreciated at a faster rate.

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.

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 2023

1. Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction 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 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.

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies (Continued)

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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.

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**3. Turnover and other income**

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

| | 2023 £ | 2022 £ |
|---|-------------------------|-------------------------|
| Turnover analysed by class of business | | |
| Tuition fee income | 4,025,873 | 3,957,076 |
| Consultancy fees | 866,423 | 10,151 |
| Provision of services | 971,662 | 859,784 |
| | <u>5,863,958</u> | <u>4,827,011</u> |
| | 2023 £ | 2022 £ |
| Turnover analysed by geographical market | | |
| United Kingdom | 4,954,191 | 4,755,129 |
| Overseas | 909,767 | 71,882 |
| | <u>5,863,958</u> | <u>4,827,011</u> |
| | 2023 £ | 2022 £ |
| Total fee income | | |
| Fee income for taught awards | 3,992,425 | 3,907,877 |
| Fee income for research awards | 33,448 | 49,199 |
| | <u>4,025,873</u> | <u>3,957,076</u> |

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JULY 2023****4. Employees**

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | Number | Number |
| Senior management | 7 | 8 |
| Academic staff (including student librarians) | 49 | 48 |
| Support staff | 22 | 17 |
| Agency staff | 6 | 6 |
| Research, consultancy & training | 1 | 1 |
| | <u>85</u> | <u>80</u> |

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | Number | Number |
| Senior management | 7 | 7 |
| Academic staff (including student librarians) | 35 | 32 |
| Support staff | 16 | 14 |
| Agency staff | 7 | 5 |
| Research, consultancy & training | 1 | 1 |
| | <u>66</u> | <u>59</u> |

Their aggregate remuneration comprised:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,770,468 | 2,311,887 |
| Social security costs | 300,994 | 243,875 |
| Pension costs | 270,436 | 271,371 |
| | <u>3,341,898</u> | <u>2,827,133</u> |

During the year, no director was remunerated (2022: none).

The remuneration of key management personnel was £719,509 (2022: £655,748).

One employee received a full-time equivalent basic salary in the range of £110,000 - £115,000 in the current year (2022: none).

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**4. Employees (Continued)**

Total emoluments payable to the Principal:

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | Number | Number |
| Basic salary | 110,162 | 104,350 |
| Pension contributions | 26,086 | 24,710 |
| One-off post-Covid bonus | - | 500 |
| Cost of living bonus | 1,000 | - |
| Christmas bonus | 200 | 200 |
| Private healthcare | 1,411 | 1,250 |
| | <u>138,859</u> | <u>131,010</u> |

Norland is a small higher education provider, offering one undergraduate BA degree programme in Early Years Development and Learning. Once graduated with the degree, students embark upon their Newly Qualified Nanny (NQN) year which sees them take their Norland training and apply it in a family setting. The maximum number of undergraduates is 300 plus 100 NQN students. All Norland graduates have access to the in-house employment agency which places Norlanders into highly sought after nanny roles across the world. In addition, Norland offers a bespoke consultancy provision for external parties to which the Principal contributes.

Norland College employs 85 members of staff with a full time equivalent of 65.97. This is a temporary increase due to six members of staff being on maternity leave and the need to appoint temporary cover for these roles. Moreover, due to a new consultancy contract, additional staff were hired on a fixed term basis to support with the workload. Thirty-nine students have been employed by Norland this academic year. The students have worked as student ambassadors (10), student reps (12), library (10), nursery (4) and charities (3) helpers. Staff turnover is 16.15% (FTE), excluding student employees. Norland outsources its counselling, IT provision and cleaning. We have nine freelance consultants on service level agreements (SLAs).

The Principal oversees all aspects of Norland's operations (degree and diploma course, NQN year, employment agency, training and consultancy) and her valuable contribution to the strategic direction of Norland has led to Taught Degree Awarding Powers being awarded, TEF Gold for three years running (2018–2021), winner of the WhatUni Student Choice Award for Independent provision (2019), the WhatUni Best University for Enhanced Graduate Outcome (2021), the Inspiring Course award at the 2022 Independent Higher Education Awards and the winner of the Whatuni Student Choice Awards of the Small and Specialist category in 2023.

This year saw the Principal managing the learning and teaching department due to the head of department being on long term sick leave. Since April 2023, there has been a new Head of Learning, Teaching and Research in post which has brought research back into the learning and teaching department. The Principal was also actively engaged with a new international contract which will yield significant income for Norland's bursary provision, the validation of the new degree and diploma, and a new TEF submission.

The Principal continues to be research active and has once again contributed to research and professional publications, and has presented at several academic conferences. She has delivered a number of keynotes or workshops for various organisations such as the International Nanny Organisation, the Royal Academy of Dance, the C of E Schools Federation, Liverpool Virtual School. She also presented her research at the Attachment Research Community's Call to Action launch at the House of Commons. She has been working with different networks and MPs to raise the status and value of the nanny profession, including campaigning to change the SOC Codes to reflect the highly skilled nanny role. She is a board member of IHE and a member of the Education Subcommittee of the Royal Academy of Dance, and Vice-Chair of First Steps and B&NES Student Community Partnership. All these activities help to raise Norland's profile within the sector.

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**4. Employees (Continued)**

The Principal's salary is included within Norland's grading structure and has a 4-point incremental range. Progression through this grade is determined by the Remuneration Committee annually and is based on individual performance which is reviewed by the Chair of the Board.

The pay multiple of the Principal for 2022/2023 is 3.49 with the median earnings for Norland's workforce as £36,474. HESA data on the head of provider remuneration for 2022/2023 shows a vast range of median figures across providers. The Principal's pay multiple is towards the lower end of this range.

| | 2023 | 2022 |
|--|---------------|---------------|
| | Number | Number |
| Basic salary as a multiple of median basic salary of staff | 3.12 | 3.43 |
| Total remuneration as a multiple of median total remuneration of staff | <u>3.49</u> | <u>3.69</u> |

The Office for Students (Ofs) has previously reported that for 2019-2020 in England, only 25 out of 166 providers returned a pay multiple between the head of institution and median pay of the workforce of less than 4.

5. Operating Profit

| | 2023 | 2022 |
|---|---------------|---------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Research and development costs (excluding pay costs) | - | 5,603 |
| Fees payable to the company's auditor for the audit of the company's financial statements | 20,590 | 17,975 |
| Depreciation of owned tangible fixed assets | 246,821 | 274,969 |
| Amortisation of intangible assets | 8,562 | 8,423 |
| Operating lease charges | <u>90,039</u> | <u>75,720</u> |

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**6. Interest receivable and similar income**

| | 2023 £ | 2022 £ |
|--|-------------------------|-------------------------|
| Interest income | | |
| Interest on bank deposits | <u>13,438</u> | <u>544</u> |
| Investment income includes the following: | | |
| Interest on financial assets not measured at fair value through profit or loss | <u>13,438</u> | <u>544</u> |

7. Taxation

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

| | 2023 £ | 2022 £ |
|--|-------------------------|-------------------------|
| Profit on ordinary activities before tax | 234,649 | 201,714 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 21.00% (2022: 19.00%) | 49,289 | 38,326 |
| Tax effect of expenses that are not deductible in determining taxable profit | 867 | 45 |
| Effect of change in corporation tax rate | 5 | (4157) |
| Permanent capital allowances in excess of depreciation | 18,850 | 14,963 |
| Gift aid payment to parent | (68,984) | (66,500) |
| Change in unrecognised deferred tax liability | <u>(27)</u> | <u>17,323</u> |
| Taxation charge for the year | <u>-</u> | <u>-</u> |

Changes to the UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. Deferred tax is recognised at a rate of 25% (2022: 25%).

During the year, the College made a qualifying distribution, within the meaning of section 191 of the Corporation Tax Act 2010, of £280,600 (2022: £364,774) to its parent entity, The Norland Foundation.

8. Distributions

| | 2023 £ | 2022 £ |
|---|-------------------------|-------------------------|
| Distributions to parent charity under gift aid | | |
| Amounts paid | <u>280,600</u> | <u>364,774</u> |

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**9. Intangible fixed assets**

| | Software and licences £ | Total £ |
|------------------------------------|-------------------------------|----------------|
| Cost | | |
| At 1 August 2022 | 150,765 | 150,765 |
| Additions | 10,548 | 10,548 |
| Disposals | - | - |
| At 31 July 2023 | <u>161,313</u> | <u>161,313</u> |
| Amortisation and impairment | | |
| At 1 August 2022 | 70,140 | 70,140 |
| Amortisation charged for the year | 8,562 | 8,562 |
| At 31 July 2023 | <u>78,702</u> | <u>78,702</u> |
| Carrying amount | | |
| At 31 July 2023 | <u>82,611</u> | <u>82,611</u> |
| At 31 July 2022 | <u>80,625</u> | <u>80,625</u> |

The amortisation charge is included within operating expenses.

10. Tangible fixed assets

| | Freehold property £ | Leasehold improvements £ | Fittings and Fixtures £ | Office equipment £ | Total £ |
|------------------------------------|---------------------------|--------------------------------|-------------------------------|--------------------------|------------------|
| Cost | | | | | |
| At 1 August 2022 | 1,487,116 | 3,987,838 | 574,117 | 498,851 | 6,547,922 |
| Additions | - | - | - | 60,867 | 60,867 |
| At 31 July 2023 | <u>1,487,116</u> | <u>3,987,838</u> | <u>574,117</u> | <u>559,718</u> | <u>6,608,789</u> |
| Depreciation and impairment | | | | | |
| At 1 August 2022 | 544,100 | 805,173 | 571,556 | 412,971 | 2,333,800 |
| Depreciation charged in the year | 33,260 | 161,052 | 1,443 | 51,066 | 246,821 |
| At 31 July 2023 | <u>577,360</u> | <u>966,225</u> | <u>572,999</u> | <u>464,037</u> | <u>2,580,621</u> |
| Carrying amount | | | | | |
| At 31 July 2023 | <u>909,756</u> | <u>3,021,613</u> | <u>1,118</u> | <u>95,681</u> | <u>4,028,168</u> |
| At 31 July 2022 | <u>943,016</u> | <u>3,182,665</u> | <u>2,561</u> | <u>85,880</u> | <u>4,214,122</u> |

The depreciation charge is included within operating expenses.

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**11 Stocks**

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Stocks of supplies and goods for resale | 8,643 | 7,338 |
| | <u> </u> | <u> </u> |

12. Debtors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 393,210 | 17,311 |
| Amounts owed by group undertakings | 1,013 | 90,196 |
| Other debtors | 3,841 | 298 |
| Prepayments and accrued income | 225,434 | 163,597 |
| | <u>623,498</u> | <u>271,402</u> |

13. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 135,951 | 95,455 |
| Taxation and social security | 137,465 | 69,595 |
| Deferred income | 43,000 | 25,954 |
| Other creditors | 14,958 | 47,219 |
| Accruals | 415,945 | 349,506 |
| | <u>747,319</u> | <u>587,729</u> |

14. Share capital

| | 2023 | 2022 | 2023 | 2022 |
|---|---------------|---------------|-------------|-------------|
| | Number | Number | £ | £ |
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | <u>51</u> | <u>51</u> | <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.

NORLAND COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2023**15. Reserves****Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

16. Cash generated from operations

| | 2023 | 2022 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the year after tax | 234,649 | 201,714 |
| Adjustments for: | | |
| Investment income | (13,438) | (544) |
| Amortisation of intangible assets | 8,562 | 8,423 |
| Depreciation of tangible fixed assets | 246,854 | 274,969 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | (1,305) | 11,704 |
| Decrease/(increase) in debtors | (352,129) | 97,163 |
| (Decrease)/increase in creditors | 159,590 | (219,791) |
| Cash generated from operations | <u>282,783</u> | <u>373,638</u> |

17. Analysis of changes in net funds

| | 1 August 2022 | Cash flows | 31 July 2023 |
|--------------------------|--------------------------|-----------------------|-------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u>1,059,280</u> | <u>(55,794)</u> | <u>1,003,486</u> |

18 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:

| | 2023 | 2022 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Within one year | 88,897 | 84,010 |
| Between one and five years | 333,168 | 310,390 |
| In over five years | <u>1,830,380</u> | <u>1,694,905</u> |
| | <u>2,252,445</u> | <u>2,089,305</u> |

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

19 Retirement benefits

The company employees belong to two principal pension schemes; The Teachers' Pension Scheme for England and Wales 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 Scottish Widows.

Total pension costs in the year:

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Teachers' pension scheme contributions paid | 191,131 | 183,583 |
| Norland stakeholder pension scheme contributions paid | 79,305 | 87,788 |
| Total pension contributions paid in the year | 270,436 | 271,371 |

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2020.

At the year-end contributions of £38,436 (2022: £34,793) were outstanding and included in creditors.

Teachers' pension scheme

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff.

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. The College has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out below the information available on the scheme.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. Norland College Limited is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

NORLAND COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

19. Retirement benefits (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £40 billion
- Discount rate is 1.7% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 28.6% (including a 0.08% administration levy) of pensionable pay from April 2024 onwards (compared to 23.68% from September 2019 to 31 March 2024).

The next will be based on data as at 31 March 2024 and will take effect from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £191,131 (2022: £183,583).

20. Related party transactions

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

Prof D Timms (a director of the company) provided consultancy services to the College totalling £800. At the balance sheet date no amount was outstanding).

Ms R Heald (a director of the company) is married to a partner of the College's lead provider of legal services, Veale Wasbrough Vizards LLP. The College received legal services totalling £97,057.80 (2022: £10,425) during the year. At the balance sheet date, the amount outstanding was £4,894 (2022: Nil).

Ms K Dicker (a director of the company) provided consultancy services to the College totalling £47,450 (2022: Nil). At the balance sheet date no amount was outstanding.

21. 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 on the Charity Commission's website.

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