

Company Registration No. 11077904 (England and Wales)

Registered Charity No. 1180292

**THE NORLAND FOUNDATION
(A company limited by guarantee)**

**REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021**

THE NORLAND FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11077904 (England and Wales)

Registered Charity number

1180292 (England and Wales)

Registered office

York Villa
York Place
London Road
Bath
Somerset
BA1 6AE

Trustees

Mr M C Clarke (Chairman) MA FCA D.Univ FRSA
Mr C P Hare
Mr P H Watkins FCA
Mr D A Peck MA
Mr M A Bray FCMA

Senior Management of Norland College Limited

Dr J Rose MA PhD PGCE FHEA (Principal of Norland College)
Mrs A Donaldson MA (Vice Principal of Norland College)
Mr A Read ACA (Vice Principal of Norland College)

Auditors

RSM UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Bankers

NatWest Bank Plc
119 High Street
Hungerford
Berkshire
RG17 0LX

Investment advisers

Charles Stanley & Co. Limited
2 Gay Street
Bath
BA1 2PH

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

The Trustees, who are also directors of the Charitable Company present their annual report and audited consolidated financial statements for the year ended 31 July 2021. The Charity has one subsidiary being Norland College Limited (the College).

The financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND AIMS

The objects of the Group and Charity, as set out in its governing documents are:

1. the advancement of education for the public benefit, in particular (but not limited to) early years education, by (but not limited to):
 - a. the promotion of effective education and training of student or qualified childcare and education practitioners in all aspects of early years care and the education of young children;
 - b. the promotion of best practice in early years care and the education of young children generally;
 - c. the provision of funding for specific projects and/or research relating to the promotion of best practice in early years care and education;
2. the promotion of social inclusion for the public benefit in particular (but without limitation) among children of early years age and their families / carers who are socially excluded from society, or part of society, as a result of their social and economic position, in particular (but without limitation) through:
 - a. the education of children of early years age and student or qualified childcare and education practitioners of early years education;
 - b. the provision of funding for specific projects and / or research to promote social inclusion; and
3. the advancement of such objects or purposes which are exclusively charitable according to the law of England and Wales for the public benefit in any part of the world and in such manner as the Trustees in their absolute discretion think fit.

ACTIVITIES

The Charity has continued to work closely with the College, collectively referred to as the Group.

A Deed of Undertaking between the Charity and the College remains in place to give legal reassurance that the Charity will support the College in the implementation of its Strategic Plan and to ensure the College's compliance with the Office for Students (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 Charity directly meeting such financial obligations. This incorporates supporting the College's agreed OfS Student Protection Plan, a plan agreed by the OfS that confirms adequate provision (£1.5m) is made for students to allow them to continue and to complete their studies (or receive compensation if this is not possible) in the event that the College is unable to provide its course or has to close.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

During the year the Charity has maintained reserves to:

- support the College's Student Protection Plan;
- make provision for additional properties for educational purposes;
- cover six to nine months of the Charity's core operating costs; and
- meet its other charitable objects.

It has continued (and expanded) its funding of internships at the College.

During the year the Charity commenced funding two postdoctoral researchers, who are conducting a systematic literature review on topics relevant to early years practitioners and the profession of nannies.

Additionally, the Charity commenced funding a research assistant at the College to develop and finalise a framework for the 'Parent/Child Services in the Home' family visitation programme with the Transforming Autism Project, and to develop a monitoring and evaluation system and a reliable evaluation tool, on the impact of the service on children and their families.

The Charity made a grant to a local First Steps charity that works with children with special needs.

During the year the Charity's grant approval documentation (including strategy, policy, application process and reporting) was updated and approved.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Group was established as part of a wider restructuring of the governance arrangements in relation to the College, which has a very long and successful track record as an independent provider of specialist early years education and training. The College is registered with the OfS as an independent provider of Higher Education and delivers the Norland Bachelor of Arts (BA) Honours degree in Early Years Development and Learning (EYDL). The degree course is combined with a specialist, prestigious qualification known as the "Norland Diploma" which focuses on the practical skills associated with early years care and education. Students educated at the College go on to have successful careers all over the world, increasing the impact of the education and training they have received.

During the year, two part-time Charities and Communities Coordinators continued to oversee the wealth of charitable and community-based activities undertaken by staff and students at the College.

APPROACH TO FUNDRAISING

Over the year the Charity did not undertake any formal fundraising activities. A fund-raising programme is being developed to enable the delivery of the Charity's wider aims and objectives.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

STRATEGIC REPORT

STRATEGIES & FUTURE PLANS

The Group advances education by promoting best practice, effective education and training in all aspects of the care and the education of young children.

The core activity of the College remains the education and training of students wishing to become Norlanders (a fully qualified Norland Nanny). The College successfully gained Taught Degree Awarding Powers in March 2019, and the College is actively working towards its application for indefinite Degree Awarding Power expected in 2022 and then University title in 2 - 3 years' time. The College continues to review and consider its future teaching and student accommodation needs, to ensure best provision for its student and staff, as well as developing plans to expand its consultancy and commercial income streams.

The Charity continues to carefully manage and build investment funds to acquire assets for educational and training purposes.

ACHIEVEMENTS AND PERFORMANCE

The recruitment of college students and their retention are important indicators of performance. Recruitment for the year was as expected with 84 (2020: 104) new first year students enrolling. In the year 78% of third year students who completed their degrees achieved a first class or 2:1 classification. Retention on the BA EYDL programme remained strong, with 91% (2020: 91%) of first, 95% (2020: 99%) of second and 99% (2020: 99%) of third years continuing their studies throughout 2020/21. This compares very favourably with similar courses at other institutions.

The College won the 2021 Whatuni Student Choice award for Graduate Outcomes, making the College a top two Whatuni winner for four consecutive years. The Graduate Outcomes award is particularly notable as the College was competing with all universities in England.

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, Continuing Professional Development (CPD) courses for qualified Norlanders and consultancy work, though during the year all such activities have been affected by COVID-19 challenges.

COVID-19

In January 2021 the College took steps (in line with government advice) to help contain rising cases of COVID-19. This meant successfully moving both the degree and diploma teaching and learning online, and again temporarily closing its two sites. Amongst other student support measures, a £45,200 college student hardship fund was arranged with 50 grants subsequently released. The College (and the Group) is forecast to remain profitable for the current financial year ended 31 July 2022. The Trustees continue to monitor group income and expenditure, and investment valuations and if necessary, will take measures to mitigate the impact of COVID-19 on the Group.

Since the year end, the College continues to be marginally affected by the uncertainty caused by COVID-19.

GRANT MAKING POLICIES

During the year the Charity updated its grant making strategy, policy and application process.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

RISK MANAGEMENT

The Group has continued to develop and embed an overarching system of internal control, including financial, operational and risk management, which is designed to protect the Group's assets and reputation.

The Charity holds a comprehensive Risk Register which also considers the risks associated with the College. The register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Charity and the actions being taken to reduce and mitigate the risks. Risks are rated and prioritised using a consistent scoring system.

The Charity's principal risks reflect mainly those of the College (as below), but in addition include:

- Fall in Investment Performance

Investments are required to maintain reserves for the Student Protection Plan and to fund replacement educational buildings. To manage and protect its investments, the Trustees have appointed an experienced Investment Manager, to safeguard and enhance the value of its investment assets, via a set of benchmarks contained within an agreed Investment Policy Statement. Quarterly investment information is released to Trustees and the Investment Manager attends Trustees meetings as required to present a review and explanation of investment performance.

The College 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. 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.

Outlined below is a description of the principal risk factors that may affect the College:

- Loss of Student Loan funding

This risk is mitigated by ensuring the continual registration with the Office for Students (OfS), ensuring the College is rigorous in delivering high quality education and training, and securing alternative funding arrangements.

- Downturn in current and future Operating Performance, including as a result of the COVID-19 crisis

Ordinarily, the operating performance risk is mitigated by the close monitoring of student recruitment, careful preparation of budgets and forecasts, and monthly and termly control of finance data and cash flows, all of which are reviewed by the Finance Committee and the Board of Directors.

Since the COVID-19 crisis, additional trading and cash flow scenario planning has been completed, with steps taken to protect the College by assisting current students with hardship grants. Marketing activities have been further developed by creating on-line outreach programmes, keeping offer holders up to date, further upgrading the College website, developing digital tours, growing social media activities and investing in successful virtual open day events. The on-site commencement of term in September 2021 progressed well, with the College following government regulations and advice, and offering blended learning opportunities as appropriate. The College's committee structure and its Board of Directors have provided effective oversight of these plans and actions, which together help safeguard the future of the College during these uncertain times.

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FOR THE YEAR ENDED 31 JULY 2021

RISK MANAGEMENT (continued)

- Inadequate IT provision

The risk is mitigated by formally engaging with a highly skilled and proven IT contractor, to deliver wide ranging day to day technical support as well as higher level director/specialist expertise, investing in cyber security and mitigation and monitoring and acting on student and staff feedback.

RESERVES POLICY

The reserves policy ensures that the Charity:

- builds sufficient unrestricted reserves to safeguard its operational needs.
- holds sufficient unrestricted reserves to meet its charitable objectives.
- holds unrestricted designated reserves to support the College to meet its Student Protection Plan.
- builds sufficient unrestricted designated reserves to ensure that, in the long-term, the College has suitable property from which to operate.

At the year end, the Charity had total surplus unrestricted reserves of £691,956 (2020: £512,655) and total surplus unrestricted designated reserves of £1,730,000 (2020: £1,332,097).

At the balance sheet date, the Group held total general unrestricted reserves of £5,900,003 (2020: £5,756,489) with £4,319,975 (2020: £4,514,329) held in freehold property and leasehold improvements, leaving £1,580,028 (2020: £1,242,160) in other net assets. The Group held total designated unrestricted reserves of £1,730,000 (2020: £1,332,097).

FINANCIAL REVIEW

The results for the year are set out in the annexed financial statements.

During the year the Group recorded total income of £4,704,560 (2020: £4,796,362), reflecting mainly the activity of the College. The Group showed a net movement in funds of £541,417 (2020: £304,678). At the balance sheet date, the Group held total net assets of £7,630,003 (2020: £7,088,586).

During the year the Charity made further investments in its portfolio. At the balance sheet date the Charity held over £2.4m (2020: £1.8m) in investments and cash, providing reserves to enable the College to meet its Student Protection Plan.

A copy of the College's financial statements are available from Companies House.

GOING CONCERN

Following the COVID-19 crisis and despite the natural difficulties in forecasting during the current uncertainties, the Trustees have carefully considered the going concern of the Charity and the Group.

The majority of the Group's trade sits within the College. The Trustees have reviewed three trading scenarios for the College covering an expected case, a worsening case and a worst case, through to 31 July 2023. Although such predictive work can never be relied on with complete certainty, the resultant forecasts and cash flows for each of the scenarios indicate that 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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

GOING CONCERN (continued)

The Trustees have considered the Charity's formal obligation to the College to support the College in the implementation of its Strategic Plan and to ensure the College's compliance with the OfS Framework, including its provision of sufficient financial support to meet the Student Protection Plan if required. In arriving at their overall position on going concern, the Trustees are satisfied that the Charity (and Group) holds adequate free assets to meet its financial obligations in these respects.

The review demonstrates the ongoing consideration by the Trustees to the effects of the COVID-19 crisis on the sustainability of the overall Group and its ability to cope under worsening scenario conditions, should they arise.

The Trustees are confident that the Charity and the Group remain a going concern and that the use of the going concern basis of accounting in the preparation of these financial statements remains appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. It was incorporated on 22 November 2017 and is governed by its Memorandum and Articles of Association updated 24 March 2021. It was registered as a charity with the Charity Commission (number 1180292) on 12 October 2018.

Its Trustees are also its Members. The liability of its Members is limited to £1, being the amount each Member undertakes to contribute to the Charity's assets if the Charity is wound up while he or she is a Member, or within one year after he or she ceases to be a Member.

Investment in Subsidiary Company

At the balance sheet date, the College remains the only subsidiary of the Charity.

Appointment of Trustees

Trustees are appointed to the Charity Board (the Board) by resolution of the Trustees. The Board is composed of no fewer than three Trustees and such maximum number as the Board determines from time to time. There are currently five Trustees. By agreement, the College nominate from their Board two Trustees comprising the Chairman ex officio and one other. The other three are independent (i.e. Trustees who are not directors, officers or employees of the College). A majority of Trustees at any time shall be Independent Trustees. The normal term of office is three years, with Trustees eligible for re-election (by the Trustees) for one further term of three years.

Induction and training of Trustees

When appointed, new Trustees are fully briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association (the Charity's governing document). Trustees are encouraged to attend appropriate external training events where these will help the undertaking of their role.

Trustees may receive training from the Charity's legal, accountancy and investment advisers, either on a dedicated training day or by joining sessions offered generally by those advisers.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

Organisational Structure & Decision Making

The Board conducts the business of the Charity through formal meetings, with assistance from the College as required. The Trustees hold at least two meetings of the Board each year and each meeting is minuted.

The Charity is the sole shareholder of the College and as authorised member appoints and removes all directors of the College. The Board has delegated powers to the Board of the College to do all such things as are conducive to the achievement of the College's purposes subject to the Articles of Association and a Governance Agreement. The College Board has established a committee of the Board, known as the Academic Board, to which all matters relating to quality of teaching and courses provided by the College are referred. The College also has a Finance Committee, Enterprise Committee, Audit Committee, Nominations & Governance Committee and a Remuneration Committee.

The Trustees maintain an oversight of the College through College budgets, College management accounts, minutes of the College Board meetings and an annual presentation from the Principal.

Investments Policy & Objectives

The Trustees have a duty to preserve the purchasing power of the capital of its invested funds, in particular in support of the College's Student Protection Plan. The investment objective of the portfolio is to have an emphasis on growth of the value of capital (subject to the preservation of the Student Protection Plan of £1.5m or as directed by the Trustees) in real terms.

The Trustees have delegated the investment management of the portfolio to an Investment Manager and to ensure performance targets are measured and defined. The performance of the Investment Manager will be monitored over a shorter timeframe than the investment horizon, in particular over a rolling 3-year horizon using the Wealth Management Association (WMA) Private Investor Total Return index applicable to the agreed risk mandate of the portfolio.

Remuneration

The Charity's governing document prevents its Members, Directors and Trustees from receiving payment for their duties. They may receive reimbursement for reasonable out-of-pocket expenses. The Charity did not employ any staff during the year ended 31 July 2021 (2020: nil).

Remuneration of all staff employed by the College is approved by its Board of Directors. A Remuneration Committee advises the Board on matters relating to the remuneration of the Principal and the Executive.

Financial Management

Financial services for the Charity are provided by the College via a Shared Resources & Governance Agreement, with management accounts and forecasts scrutinised at Trustees' meetings.

The College prepares termly management accounts three times a year, and each pack is presented to its Finance Committee and made available to the Board. A detailed yearly budget as well as longer term forecasts are presented annually.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

Qualifying Third Party Indemnity Provisions

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

AUDITORS

RSM UK Audit are deemed to be reappointed under section 487(2) of the Companies Act 2006.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information of which the Charitable Company's auditors are unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as trustees in order to make them aware of any audit information and to establish that the Charitable Company's auditors are aware of that information.

The Report of the Trustees, was approved by the Trustees on the 13/12/21 and signed on their behalf.

Trustee: 

M C Clarke MA FCA D.Univ FRSA

Trustee: 

P H Watkins FCA

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the directors of Norland Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period.

In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Group 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 Charitable Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE NORLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND FOUNDATION

FOR THE YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of The Norland Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities (including the income and expenditure account), the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group and parent charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE NORLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND FOUNDATION

FOR THE YEAR ENDED 31 JULY 2021

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 Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

THE NORLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND FOUNDATION

FOR THE YEAR ENDED 31 JULY 2021

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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are 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, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external 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 group audit engagement team identified the risk of management override of controls as the area 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, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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 charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**THE NORLAND FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND
FOUNDATION
FOR THE YEAR ENDED 31 JULY 2021**

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BA1 6AE

15 December 2021
Date:

THE NORLAND FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted funds			
	Notes	General funds £	Designated funds £	Total 2021 £	Total 2020 £
INCOME FROM:					
Donations	4	1,250	-	1,250	1,225
Government grants	5	33,571	-	33,571	16,445
Investment income	6	34,020	-	34,020	45,367
Commercial trading operations		4,635,719	-	4,635,719	4,733,325
Total income		4,704,560	-	4,704,560	4,796,362
EXPENDITURE ON:					
Charitable activities	7	26,963	-	26,963	34,755
Grants		5,000	-	5,000	-
Financing costs	9	-	-	-	4,864
Commercial trading operations		4,446,681	-	4,446,681	4,411,467
Total expenditure		4,478,644	-	4,478,644	4,451,086
NET INCOME BEFORE NET GAINS ON INVESTMENTS		225,916	-	225,916	345,276
Net gains/(losses) on investments		315,501	-	315,501	(40,598)
TRANSFERS BETWEEN FUNDS		(397,903)	397,903	-	-
NET MOVEMENT IN FUNDS		143,514	397,903	541,417	304,678
RECONCILIATION OF FUNDS					
FUNDS BROUGHT FORWARD AT 1 AUGUST	22	5,756,489	1,332,097	7,088,586	6,783,908
FUNDS CARRIED FORWARD AT 31 JULY	22	5,900,003	1,730,000	7,630,003	7,088,586


All amounts derive from continuing activities.

All gains and losses for the year are included in the consolidated statement of financial activities.

THE NORLAND FOUNDATION
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	14		5,140		6,366
Tangible assets	15		4,422,213		4,668,985
Investments	16		2,443,842		1,826,048
			6,871,195		6,501,399
CURRENT ASSETS					
Stock	17	19,042		27,031	
Debtors	18	344,897		226,440	
Cash at bank and in hand		1,216,079		1,055,104	
			1,580,018		1,308,575
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	19	(821,210)		(721,388)	
NET CURRENT ASSETS					
			758,808		587,187
TOTAL NET ASSETS					
			7,630,003		7,088,586
THE FUNDS OF THE CHARITY:					
UNRESTRICTED FUNDS					
General funds	22		5,900,003		5,756,489
Designated funds	22		1,730,000		1,332,097
TOTAL FUNDS					
			7,630,003		7,088,586

The financial statements on pages 15 to 40 were approved by the Board of Trustees and authorised for issue on 13/12/21 and are signed on their behalf by:

Trustee: 

M C Clarke MA FCA D.Univ FRSA

Trustee: 

P H Watkins FCA

THE NORLAND FOUNDATION
COMPANY BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Investments	16		2,443,893		1,826,099
			<hr/>		<hr/>
			2,443,893		1,826,099
CURRENT ASSETS					
Debtors	18	600		-	
Cash at bank and in hand		13,709		36,103	
		<hr/>		<hr/>	
		14,309		36,103	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	19	(36,246)		(17,450)	
		<hr/>		<hr/>	
NET CURRENT (LIABILITIES)/ASSETS			(21,937)		18,653
			<hr/>		<hr/>
TOTAL NET ASSETS			2,421,956		1,844,752
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY:					
UNRESTRICTED FUNDS					
General funds	22		691,956		512,655
Designated funds	22		1,730,000		1,332,097
			<hr/>		<hr/>
TOTAL FUNDS			2,421,956		1,844,752
			<hr/>		<hr/>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares Group financial statements. The Charitable Company's surplus for the year was £577,204 (2020: surplus of £1,853,640).

The financial statements on pages 15 to 40 were approved by the Board of Trustees and authorised for issue on 13/12/21 and are signed on their behalf by:

Trustee: 

M C Clarke MA FCA D.Univ FRSA

Trustee: 

P H Watkins FCA

THE NORLAND FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	28	465,939	682,054
Interest paid		-	(4,864)
NET CASH GENERATED BY OPERATING ACTIVITIES		465,939	677,190
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(1,712)	(8,814)
Purchase of tangible fixed assets		(34,981)	(45,727)
Proceeds on disposal of tangible assets		-	1,367
Purchase of investments		(333,015)	(1,617,724)
Proceeds on disposal of investments		30,723	1,079,156
Investment income		34,021	45,367
NET CASH USED IN INVESTING ACTIVITIES		(304,964)	(546,375)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of bank loans		-	(516,498)
NET CASH USED IN FINANCING ACTIVITIES		-	(516,498)
INCREASE/(DECREASE) IN CASH IN THE YEAR		160,975	(385,683)
CASH AND CASH EQUIVALENTS AT 1 AUGUST		1,055,104	1,440,787
CASH AND CASH EQUIVALENTS AT 31 JULY		1,216,079	1,055,104

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES

GENERAL INFORMATION

The Norland Foundation is a private company limited by guarantee and incorporated in England and Wales. The address of the Charitable Company's registered office and principal place of business is York Villa, York Place, London Road, Bath, Somerset, BA1 6AE.

The Group consists of The Norland Foundation and Norland College Limited.

The Charitable Company's and the Group's principal activities and the nature of the Charitable Company's operations and the Group's operations are disclosed in the Trustees' Report.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Charities: Statement of Recommended Practice (applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Norland Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Group and Charitable Company. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

Following the COVID-19 crisis and despite the natural difficulties in forecasting during the current uncertainties, the Trustees have carefully considered the going concern of the Charitable Group.

As outlined in the Trustees Report a Deed of Undertaking between the Charity and the College gives legal reassurance that the Charity will support the College in the implementation of its Strategic Plan which includes a provision of sufficient financial support.

The Trustees have reviewed three trading scenarios for the College (and hence the Charitable Group) covering an expected case the current College budget, a worsening case and a worst case.

Although such predictive work can never be relied on with complete certainty, following Trustee challenge the resultant forecasts and cash flows for each of the three tested scenarios for two future years indicate the Charitable Group 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. This longer term review, beyond 12 months, demonstrates the ongoing consideration by the Trustees to the effects of the COVID-19 crisis on the sustainability of the Charitable Group and its ability to cope under these specific scenario conditions.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

REDUCED DISCLOSURES

In accordance with FRS 102, the Charitable Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values.

GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary Norland College Limited on a line by line basis. All financial statements are made up to 31 July 2021. All intra Group transactions and balances between Group companies are eliminated on consolidation.

A separate statement of financial activities and income and expenditure account is not presented for the Charitable Company itself in accordance with the exemptions afforded by section 408 of the Companies Act 2006.

INCOME

All income included in the statement of financial activities is recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations are recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the bank.

Commercial trading operations income 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.

EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category heading. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the expenditure.

ALLOCATION AND APPORTIONMENT OF COSTS

Charitable activities are those costs incurred directly in the carrying out of the Charitable Company's operations. Support costs are those costs incurred directly to support the principal objectives of the Group. Governance costs are those incurred for the undertaking of the Group's constitutional and statutory requirements.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Board of Trustees. Designated funds are unrestricted funds of the Charitable Company which the Trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements.

INTANGIBLE FIXED ASSETS OTHER THAN GOODWILL

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

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

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

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

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.

FIXED ASSET INVESTMENTS

In the individual financial statements of the Charitable Company, interests in subsidiaries are measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the statement of financial activities.

Other investments are stated at fair value and unrealised gains and losses on investments are recognised in the statement of financial activities.

CASH AND CASH EQUIVALENTS

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

STOCK

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

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

LEASES

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

EMPLOYEE BENEFITS

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

Termination benefits are recognised immediately as an expense when the Group 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 Group 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 Group operates a money purchase pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 transaction is measured at the present value of the future receipts discounted at a market rate of interest.

OTHER FINANCIAL ASSETS

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in other comprehensive income and where fair values cannot be measured reliably, are measured at cost less impairment.

FINANCIAL LIABILITIES

Basic financial liabilities, which include trade and other creditors, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The College received government funding of £33,571 (2020: £nil) for the provision of COVID-19 mass testing. The funding relates to the cost of asymptomatic testing for staff and students of the College. The College received a discretionary cash grant of £nil (2020: £16,445) from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grants and the College has received no other forms of government assistance.

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Group's accounting policies, the Trustees 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 Trustees have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and they believe there are none to note.

3 SURPLUS OF PARENT ENTITY

The Norland Foundation has taken the exemption under section 408 of the Companies Act 2006 not to present its income and expenditure accounts as part of these financial statements. The Norland Foundation's total income for the year was £335,136 (2020: £1,949,054) and the surplus for the financial year was £577,204 (2020: surplus of £1,853,460).

4 DONATIONS

	2021 £	2020 £
Donations received	1,250	1,225
	<hr/>	<hr/>
	1,250	1,225
	<hr/>	<hr/>

The income from donations of £1,250 (2020: £1,225) was all unrestricted.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

5 GOVERNMENT GRANTS

	2021 £	2020 £
Coronavirus Job Retention Scheme grant	-	16,445
Coronavirus Mass Testing grant	33,571	-
	<hr/> 33,571	<hr/> 16,445
	<hr/> <hr/>	<hr/> <hr/>

Grant income of £33,571 (2020: £nil) relates to government funding for COVID-19 mass testing. The funding relates to the cost of asymptomatic testing for staff and students of the College. During the prior year, the College furloughed a number of staff under the government's Coronavirus Job Retention Scheme. The funding received of £16,445 in 2020 related to staff costs in respect of these staff, which are included within note 10 as appropriate.

6 INVESTMENT INCOME

	2021 £	2020 £
Investment income	33,885	42,475
Bank interest received	135	2,892
	<hr/> 34,020	<hr/> 45,367
	<hr/> <hr/>	<hr/> <hr/>

The investment income of £34,020 (2020: £45,367) was all unrestricted.

7 CHARITABLE ACTIVITIES EXPENDITURE

	Direct Costs £	Support Costs (see note 8) £	2021 Total £	2020 Total £
Charitable activities	-	26,963	26,963	34,755
	<hr/>	<hr/>	<hr/>	<hr/>

The expenditure on charitable activities of £26,963 (2020: £34,755) was all from unrestricted funds.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

8 SUPPORT COSTS

	2021	2020
	£	£
Support		
Insurance	1,050	1,049
Investment management fees	13,270	19,422
Governance		
Bank charges	-	35
Audit fees	7,260	7,680
Accountancy fees	4,230	4,020
Tax compliance fees	1,140	2,340
Statutory compliance fees	13	13
Trustees expenses	-	196
	<hr/> 26,963	<hr/> 34,755
	<hr/>	<hr/>

All support costs relate to the sole charitable activity of the Group, being the provision of early years education through effective training and advancement of students.

9 FINANCING COSTS

	2021	2020
	£	£
Bank loan interest	-	4,864
	<hr/> -	<hr/> 4,864
	<hr/>	<hr/>

The expenditure on financing costs of £nil (2020: £4,864) was all from unrestricted funds.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

10 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	2,250,016	2,135,006
Social security costs	228,923	214,509
Pension costs	260,086	250,070
	<hr/>	<hr/>
	2,739,025	2,599,585
	<hr/>	<hr/>

The average monthly number of persons employed by the Group during the year was:

	2021	2020
	No	No
Senior management	7	7
Academic staff	43	41
Support staff	22	16
Agency staff	6	6
Research, consultancy & training	1	1
	<hr/>	<hr/>
	79	71
	<hr/>	<hr/>

The Charitable Company had no employees during the current or prior year.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2021	2020
	No	No
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
	<hr/>	<hr/>

Retirement benefits of £49,639 (2020: £48,319) are accruing to three (2020: three) of these members of staff.

Key management personnel received aggregate remuneration including employer pension contributions of £618,143 (2020: £608,085).

During the year there were 2 (2020: nil) loss of office payments made. These cost the College £14,326 (2020: £nil). The employees were not considered to be part of key management personnel.

11 TRUSTEES REMUNERATION

During the current or prior period no Trustees received remuneration in respect of services provided to the Charitable Company and therefore no Trustee received remuneration of more than £60,000.

During the period Trustees' expenses of £nil (2020: £197) were paid for travel expenses, to nil (2020: 4) Trustees.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

12 NET MOVEMENT IN FUNDS

Net movement in funds are stated after charging:

	2021	2020
	£	£
Research and development costs	3,892	2,536
Auditor's remuneration:		
- Statutory audit of the parent and group	7,260	6,480
- Statutory audit of the subsidiary	15,295	13,650
- Other non-audit services	7,725	7,095
- Taxation compliance services	3,100	3,695
Amortisation	2,938	11,836
Depreciation	281,093	307,327
Loss/(profit) on disposal of tangible fixed assets	660	(1,367)
Operating lease rentals	87,653	84,548
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	853	-
	<hr/>	<hr/>

13 TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2021 or the year ended 31 July 2020.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

14 INTANGIBLE FIXED ASSETS
Group

	Software and licences £	Assets in the course of construction £	Total £
Cost			
At 1 August 2020	18,202	-	18,202
Additions – separately acquired	-	1,712	1,712
	<hr/>	<hr/>	<hr/>
At 31 July 2021	18,202	1,712	19,914
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 August 2020	11,836	-	11,836
Amortisation charged in the year	2,938	-	2,938
	<hr/>	<hr/>	<hr/>
At 31 July 2021	14,774	-	14,774
	<hr/>	<hr/>	<hr/>
Net book value 31 July 2021	3,428	1,712	5,140
	<hr/>	<hr/>	<hr/>
Net book value 31 July 2020	6,366	-	6,366
	<hr/>	<hr/>	<hr/>

Amortisation charges are included within expenditure on commercial trading operations on the statement of financial activities.

Charitable Company

The Charitable Company had no intangible fixed assets in the current or prior year.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

15 TANGIBLE FIXED ASSETS
Group

	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2020	1,043,582	3,665,768	163,491	103,471	4,976,312
Additions	-	-	-	34,981	34,981
Disposals	-	-	-	(4,713)	(4,713)
At 31 July 2021	1,043,582	3,665,768	163,491	133,739	5,006,580
Depreciation					
At 1 August 2020	33,987	161,034	67,971	44,335	307,327
Depreciation charged in the year	33,320	161,034	48,130	38,609	281,093
Eliminated in respect of disposals	-	-	-	(4,053)	(4,053)
At 31 July 2021	67,307	322,068	116,101	78,891	584,367
Net book value 31 July 2021	976,275	3,343,700	47,390	54,848	4,422,213
Net book value 31 July 2020	1,009,595	3,504,734	95,520	59,136	4,668,985

Company

The Charitable Company had no tangible fixed assets in the current or prior year.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

16 FIXED ASSET INVESTMENTS
Group

	2021 £	2020 £
Listed investments	2,443,842	1,826,048
	<hr/>	<hr/>
Movements in fixed asset investments		Listed investments £
Cost or valuation		
At 1 August 2020		1,826,048
Additions		333,015
Disposals		(30,592)
Valuation changes		315,371
		<hr/>
At 31 July 2021		2,443,842
		<hr/>
Carrying amount		
At 31 July 2021		2,443,842
		<hr/>
At 31 July 2020		1,826,048
		<hr/>

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

16 FIXED ASSET INVESTMENTS (continued)
Charitable Company

	2021 £	2020 £
Listed investments	2,443,842	1,826,048
Investments in group undertakings	51	51
	<hr/> 2,443,893 <hr/>	<hr/> 1,826,099 <hr/>
Movements in fixed asset investments		
	Listed investments £	Shares in Group undertaking £
Cost or valuation		
At 1 August 2020	1,826,048	51
Additions	333,015	-
Disposals	(30,592)	-
Valuation changes	315,371	-
	<hr/>	<hr/>
At 31 July 2021	2,443,842	51
	<hr/>	<hr/>
Carrying amount		
At 31 July 2021	2,443,842	51
	<hr/>	<hr/>
At 31 July 2020	1,826,048	51
	<hr/>	<hr/>

In the opinion of the Trustees, the aggregate value of the Charitable Company's investment in subsidiary undertakings is not less than the amount indicated in the Balance Sheet.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

16 FIXED ASSET INVESTMENTS (continued)

Holdings of more than 20%

The Charitable Company holds more than 20% of the share capital in the following companies:

Company	Registered Office	Class	Shares held	
			%	
Subsidiary undertaking			Direct	Indirect
Norland College Limited	York Villa, York Place, London Road, Bath, Somerset, BA1 6AE	Ordinary	100	-
Company No: 00193170				

The principal activity of these undertakings for the last relevant financial year was as follows:

Company	Principal activity
Norland College Limited	Provision of Higher Education degree in Early Years Development and Learning and the practical skills gained through the Norland Diploma.

The aggregate amount of capital and reserves and the results of these undertakings were as follows:

	2021			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited Company No: 00193170	4,710,894	(4,446,681)	264,213	5,208,098

	2020			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited Company No: 00193170	4,789,088	(4,416,330)	372,758	5,243,885

17 STOCKS

	Group		Charitable Company	
	2021 £	2020 £	2021 £	2020 £
Stock of supplies and finished goods	19,042	27,031	-	-

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

18 DEBTORS

	Group		Charitable Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	50,334	30,224	-	-
Other debtors	5,923	10,470	-	-
Prepayments and accrued income	288,640	185,746	600	-
	<hr/>	<hr/>	<hr/>	<hr/>
	344,897	226,440	600	-
	<hr/>	<hr/>	<hr/>	<hr/>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charitable Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	167,567	135,705	-	2,340
Taxation and social security costs	77,303	96,925	-	-
Amounts owed to group undertakings	-	-	22,556	2,560
Other creditors	100,232	124,508	-	-
Accruals and deferred income	476,108	364,250	13,690	12,550
	<hr/>	<hr/>	<hr/>	<hr/>
	821,210	721,388	36,246	17,450
	<hr/>	<hr/>	<hr/>	<hr/>

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

20 DEFERRED INCOME

	Group		Charitable Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred income is included within:				
Creditors due within one year	3,000	7,003	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred income at 1 August	7,003	13,451	-	-
Released from previous years	(7,003)	(13,451)	-	-
Resources deferred in the year	3,000	7,003	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred income at 31 July	3,000	7,003	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income relates to fees received in advance for attending Norland College during the next academic year.

21 FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value	2,443,842	1,826,048
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THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

22 FUNDS

Group	At 1 August 2020 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2021 £
UNRESTRICTED FUNDS					
General fund	5,756,489	4,704,560	(4,478,644)	(82,402)	5,900,003
Designated funds	1,332,097	-	-	397,903	1,730,000
TOTAL FUNDS	7,088,586	4,704,560	(4,478,644)	315,501	7,630,003

Charitable Company

	At 1 August 2020 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2021 £
UNRESTRICTED FUNDS					
General fund	512,655	335,136	(73,433)	(82,402)	691,956
Designated funds	1,332,097	-	-	397,903	1,730,000
TOTAL FUNDS	1,844,752	335,136	(73,433)	315,501	2,421,956

Designated funds

Funds of £1,500,000 (2020: £1,332,097) have been designated to support the College's Student Protection Plan. This plan, required by the OfS, ensures adequate provision is made for students to allow them to continue and complete their studies (or receive compensation if this is not possible) in the event that the College is unable to provide its course or has to close. A further £230,000 (2020: £nil) is designated in respect of the anticipated cost of replacing buildings.

Group	At 1 August 2019 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2020 £
UNRESTRICTED FUNDS					
General fund	6,783,908	4,796,362	(4,451,086)	(1,372,695)	5,756,489
Designated funds	-	-	-	1,332,097	1,332,097
TOTAL FUNDS	6,783,908	4,796,362	(4,451,086)	(40,598)	7,088,586

Charitable Company

	At 1 August 2019 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2020 £
UNRESTRICTED FUNDS					
General fund	(8,888)	1,949,054	(50,797)	(1,376,714)	512,655
Designated funds	-	-	-	1,332,097	1,332,097
TOTAL FUNDS	(8,888)	1,949,054	(50,797)	(44,617)	1,844,752

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

23 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2021

	General fund £	Designated funds £	Total funds £
Intangible assets	5,140	-	5,140
Tangible assets	4,422,213	-	4,422,213
Investments	713,842	1,730,000	2,443,842
Net current assets	758,808	-	758,808
TOTAL NET ASSETS			
At 31 July 2021	5,900,003	1,730,000	7,630,003

2020

	General fund £	Designated funds £	Total funds £
Intangible assets	6,366	-	6,366
Tangible assets	4,668,985	-	4,668,985
Investments	493,951	1,332,097	1,826,048
Net current assets	587,187	-	587,187
TOTAL NET ASSETS			
At 31 July 2020	5,756,489	1,332,097	7,088,586

24 CONTROL

There is no ultimate controlling party. The Board of Trustees is responsible for the strategic and operational decisions of the Group.

25 LIMITED BY GUARANTEE

The Charitable Company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

26 OTHER FINANCIAL COMMITMENTS

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

Group	2021 £	2020 £
Operating leases which expire:		
Within one year	80,075	82,493
Between two and five years	308,029	265,751
Over 5 years	1,714,475	1,730,059
	<hr/>	<hr/>
	2,102,579	2,078,303
	<hr/>	<hr/>

Charitable Company

The Charitable Company has no financial commitments.

27 RETIREMENT BENEFITS

The Group's 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 Scottish Widows.

Total pension costs in the year:

Group	2021 £	2020 £
Teachers' pension scheme contributions paid	178,552	173,393
Norland stakeholder pension scheme contributions paid	81,537	76,636
	<hr/>	<hr/>
Total pension contributions paid in the year	260,089	250,029
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The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016.

At the year end contributions of £34,910 (2020: £32,245) were outstanding and included in creditors.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

27 RETIREMENT BENEFITS (continued)

Teachers' Pension Scheme

The Group 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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group 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. The Group is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Group 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 Group has set out above the information available on the plan and the implications for the Group in terms of the anticipated contribution rates.

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 2016.

The valuation report was published by the Department for Education on 5 March 2019. 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 £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £178,552 (2020: £173,393).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

28 NOTES TO THE STATEMENT OF CASH FLOWS

Cash generated from operations	2021 £	2020 £
Net surplus	541,417	304,678
Adjustments for:		
Finance costs	-	4,864
Investment income	(34,021)	(45,367)
Loss/(profit) on disposal of tangible fixed assets	660	(1,367)
Amortisation of intangible assets	2,938	11,836
Depreciation of tangible fixed assets	281,093	307,327
Net (gains)/losses on investments	(315,502)	40,598
Movements in working capital:		
Decrease/(increase) in stock	7,989	(20,666)
(Increase)/decrease in debtors	(118,457)	14,404
Increase in creditors	99,822	65,747
Net cash inflow from operating activities	465,939	682,054

29 ANALYSIS OF CHANGES IN NET FUNDS

	1 August 2020 £	Cash flows £	31 July 2021 £
Cash at bank and in hand	1,055,104	160,975	1,216,079

30 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

During the year the Group had the following transactions with related parties:

Prof D Timms Bed MA MSc PhD (a director of the College) provided consultancy services to the College totalling £3,200 (2020: £nil). At the Balance Sheet date no amount was outstanding (2020: £nil).

Ms R Heald (a director of the College) is married to the Managing Partner of the College's lead provider of legal services. The College received legal services totalling £38,393 (2020: £43,097) during the year. At the Balance Sheet date, the amount due to the legal service provider was £1,804 (2020: £413). All transactions were entered into on an arm's length basis.

The Trustees do not consider there to have been any other related party transactions requiring disclosure.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

30 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

During the year The Norland Foundation transacted with its fully owned subsidiary Norland College Limited. All intergroup transactions and year end balances were eliminated on consolidation.

The intergroup transactions and year end balances were:

	2021	2020
	£	£
Transactions in the year		
Distribution under gift aid from Norland College Limited to The Norland Foundation	300,000	593,642
Research Project funding awarded to Norland College Limited from The Norland Foundation	29,542	468
Shared resource charge made by Norland College Limited to The Norland Foundation	11,927	15,573
Transfer of investments from Norland College Limited to the Norland Foundation	-	1,332,097
	<hr/>	<hr/>
Balances outstanding at the year end		
The Norland Foundation holds 100% of the share capital of Norland College Limited	51	51
The Norland Foundation owes Norland College Limited	22,556	2,560
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