

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 2022**

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 Edmond MA (Vice Principal of Norland College)
Ms E LLOYD MPhil FCCA (Executive – Chief Financial Officer)

Auditors

RSM UK Audit LLP
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

Solicitors

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

Bankers

NatWest Bank Plc
Western Avenue
Waterside Court
Chatham
Kent
ME4 4RT

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 2022

The Trustees, who are also directors of the Charitable Company (the Charity) present their annual report and audited consolidated financial statements for the year ended 31 July 2022. 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.

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FOR THE YEAR ENDED 31 JULY 2022

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.

The Norland Foundation has funded multiple research projects including three research projects in the year ended 31 July 2022: a project about the quality(ies) of home-based childcare (2nd/concluding phase), a second on developing and piloting the 'First Steps - an early autism family support programme' with the TAP (Transforming Autism Project), and a third one on Attachment Aware Schools.

The Foundation has also funded the first stage of a postgraduate certificate in infant-parent mental health for two members of staff.

Through internships at Norland, researchers conducted a series of research projects, as follows:

- The Norland Archives
- the Norland Institute – A Vision in Context
- sustainability in pre-school settings

The charity has also continued to look outwards for opportunities to fund projects that meet its mission and values. This includes a further grant to a local First Steps charity that works with young children with special needs.

NORLAND INSTITUTE BENEVOLENT FUND

During the year just ended, the Norland Institute Benevolent Fund (registered charity number 208818) was dissolved and its assets transferred to the Norland Foundation.

The Norland Institute Benevolent Fund was originally founded in 1915, with the following stated purpose: "For the relief of poverty, sickness or distress of any persons connected with Norland College whether as a member of staff or as persons undergoing training as nannies, or those who have trained". The 'Norland Institute' was the forerunner of what is now Norland College.

A resolution was passed on 15 February 2022 to close the charity and transfer its assets to the Norland Foundation, where it would be accounted for as a restricted fund and continue operating with the same stated purpose.

Prior to the end of this financial year, a restricted grant donation in the sum of £334,403 was received from the Norland Institute Benevolent Fund, and a corresponding asset transfer of investments (£311,124), cash (£20,979) and debtors (£2,300).

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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

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.

STRATEGIES & FUTURE PLANS

The Group intends to advance 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 remains actively working towards its application for indefinite Degree Awarding Power 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

Student intake for the current academic year (2022/23) remains healthy and is in line with expectations, with 104 first years enrolling in September 2022.

In 2021/22, 82.2% of third year students who completed their degrees achieved a first class or 2:1 classification. Retention on the BA EYDL programme remains strong, with 90% of first, 97% of second and 99% of third years continuing their studies throughout 2021/22. This compares very favourably with similar courses at other institutions.

Norland was placed second in the 2022 Whatuni Student Choice award for best independent HE provider, making the College a top two Whatuni winner for five consecutive years.

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. The Consultancy & Training department has several potential contracts pending internationally. A learning platform launch is planned for the latter half of this year which also has the potential to produce income.

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FOR THE YEAR ENDED 31 JULY 2022

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 build up 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:

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 is fully expected to revive following the pandemic, with a number of potential contracts already in the pipeline for the Consultancy & Training arm, and the Agency on track to meet its revenue targets for the year ended 31 July 2023.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

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 £380,320 (2021: £691,956) and total surplus unrestricted designated reserves of £2,090,000 (2021: £1,730,000).

At the balance sheet date, the Group held total general unrestricted reserves of £5,450,310 (2021: £5,900,003) with £4,125,681 (2021: £4,319,975) held in freehold property and leasehold improvements, leaving £1,324,629 (2021: £1,580,028) in other net assets. The Group held total designated unrestricted reserves of £2,090,000 (2021: £1,730,000).

FINANCIAL REVIEW

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

During the year the Group recorded total income of £5,158,399 (2021: £4,704,560), reflecting mainly the activity of the College. The Group showed a net movement in funds of £245,721 (2021: £541,417). At the balance sheet date, the Group held total net assets of £7,875,724 (2021: £7,630,003).

During the year the Charity made further investments in its portfolio. At the balance sheet date the Charity held over £2.5m (2021: £2.4m) in investments and cash, providing reserves to enable the College to meet its Student Protection Plan.

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

INVESTMENT PORTFOLIO PERFORMANCE

As at 31 July 2022, the assets in the main and legacy benevolent fund portfolios were valued at £2,275,038 and £311,649 respectively. This represents total returns of -10.76% and +2.61%, during a period in which the MSCI PIMFA Private Investor Income total return index achieved -1.61%. The worst performing relevant asset class was fixed income with the UK Gilt all stock index returning -13.72%. The best performing index was the FTSE 100, heavily comprised of oil and resource stocks, +9.56%.

The reason for the underperformance of the main portfolio is two-fold. Firstly, the portfolio has a long time horizon and is therefore invested in a higher proportion of more volatile growth investments, such as technology, which are more volatile and underperforming this year, but having performed exceptionally well in the years prior to the downturn. Secondly, the Investment Trusts are trading at much wider discounts to their NAVs during this period of reduced sentiment. There is confidence in the long-term growth prospects of the portfolio and it is expected to recover when markets improve and discounts narrow.

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FOR THE YEAR ENDED 31 JULY 2022

GOING CONCERN

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 2024. 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 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 of 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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

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.

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.

Related Parties

The trustees Mr M C Clarke and Mr M A Bray are also directors of the College.

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 2022 (2021: 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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

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.

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 ~~12 December 2022~~ 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 2022

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 Report of the Trustees 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 2022

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 2022 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 2022 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 2022

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 2022

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 2022**

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
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Date: 19 December 2022

THE NORLAND FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2022

	Notes	Restricted funds £	Unrestricted funds £	Total 2022 £	Total 2021 £
INCOME FROM:					
Donations	4	334,403	1,200	335,603	1,250
Government grants	5	-	-	-	33,571
Investment income	6	952	36,520	37,472	34,020
Commercial trading operations		-	4,785,324	4,785,324	4,635,719
Total income		335,355	4,823,044	5,158,399	4,704,560
EXPENDITURE ON:					
Charitable activities	7	1,674	26,149	27,823	26,963
Grants		-	3,643	3,643	5,000
Commercial trading operations		-	4,600,839	4,600,839	4,446,681
Total expenditure		1,674	4,630,631	4,632,305	4,478,644
NET INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS					
		333,681	192,413	526,094	225,916
Net gains/(losses) on investments		1,733	(282,106)	(280,373)	315,501
TRANSFERS BETWEEN FUNDS					
		-	-	-	-
NET MOVEMENT IN FUNDS	21	335,414	(89,693)	245,721	541,417
RECONCILIATION OF FUNDS					
FUNDS BROUGHT FORWARD AT 1 AUGUST	21	-	7,630,003	7,630,003	7,088,586
FUNDS CARRIED FORWARD AT 31 JULY	21	335,414	7,540,310	7,875,724	7,630,003

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	13		80,625		5,140
Tangible assets	14		4,214,122		4,422,213
Investments	15		2,586,687		2,443,842
			<hr/>		<hr/>
			6,881,434		6,871,195
CURRENT ASSETS					
Stock	16	7,338		19,042	
Debtors	17	186,537		344,897	
Cash at bank and in hand		1,351,818		1,216,079	
		<hr/>		<hr/>	
			1,545,693		1,580,018
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	18	(551,403)		(821,210)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			994,290		758,808
			<hr/>		<hr/>
TOTAL NET ASSETS			7,875,724		7,630,003
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS	21		335,414		-
UNRESTRICTED FUNDS					
General funds	21		5,450,310		5,900,003
Designated funds	21		2,090,000		1,730,000
			<hr/>		<hr/>
TOTAL FUNDS			7,875,724		7,630,003
			<hr/>		<hr/>

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2022 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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Investments	15		2,586,738		2,443,893
CURRENT ASSETS					
Debtors	17	20,472		600	
Cash at bank and in hand		292,538		13,709	
		<u>313,010</u>		<u>14,309</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	(94,014)		(36,246)	
NET CURRENT ASSETS/(LIABILITIES)			<u>218,996</u>		<u>(21,937)</u>
TOTAL NET ASSETS			<u>2,805,734</u>		<u>2,421,956</u>
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS					
Benevolent Fund	21		335,414		-
UNRESTRICTED FUNDS					
General funds	21		380,320		691,956
Designated funds	21		2,090,000		1,730,000
TOTAL FUNDS			<u>2,805,734</u>		<u>2,421,956</u>

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 £383,778 (2021: surplus of £577,204).

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2022 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 2022

	Notes	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	27	673,983	465,939
NET CASH GENERATED BY OPERATING ACTIVITIES			
		673,983	465,939
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(85,620)	(1,712)
Purchase of tangible fixed assets		(66,878)	(34,981)
Purchase of investments		(424,426)	(333,015)
Proceeds on disposal of investments		1,208	30,723
Investment income		37,472	34,021
NET CASH USED IN INVESTING ACTIVITIES			
		(538,244)	(304,964)
INCREASE IN CASH IN THE YEAR			
		135,739	160,975
CASH AND CASH EQUIVALENTS AT 1 AUGUST			
		1,216,079	1,055,104
CASH AND CASH EQUIVALENTS AT 31 JULY			
		1,351,818	1,216,079

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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

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 2024. 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 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 of 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.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

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 2022. 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 2022

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.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year end are carried forward in the balance sheet.

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 to 10 years straight line
-----------------------	-----------------------------

Intangible assets in the course of construction are not amortised.

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.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

STOCK

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

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 is 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 2022

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 £Nil (2021: £33,571) for the provision of COVID-19 mass testing. The funding relates to the cost of asymptomatic testing for staff and students of the College.

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 £737,305 (2021: £335,136) and the surplus for the financial year was £383,778 (2021: surplus of £577,204).

4 DONATIONS

	2022 £	2021 £
Donations received	335,603	1,250

£334,403 of income from donations in the current year is restricted. All income in the prior year was unrestricted.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

5 GOVERNMENT GRANTS

	2022 £	2021 £
Coronavirus Mass Testing grant	-	33,571

Grant income of £Nil (2021: £33,571) 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.

6 INVESTMENT INCOME

	2022 £	2021 £
Investment income	36,928	33,885
Bank interest received	544	135
	37,472	34,020

Investment income of £952 in the current year was restricted. All income in the prior year is unrestricted.

7 CHARITABLE ACTIVITIES EXPENDITURE

	Direct Costs £	Support Costs (see note 8) £	2022 Total £	2021 Total £
Charitable activities	-	27,823	27,823	26,963

In the current year, £1,674 of expenditure from charitable activities relating to investment management charges was restricted. All expenditure from charitable activities in the prior year was unrestricted.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

8 SUPPORT COSTS

	2022	2021
	£	£
Support		
Insurance	2,027	1,050
Investment management fees	13,494	13,270
Governance		
Bank charges	5	-
Audit fees	4,200	7,260
Accountancy fees	4,134	4,230
Tax compliance fees	3,600	1,140
Statutory compliance fees	13	13
Trustees' expenses	350	-
	<hr/>	<hr/>
	27,823	26,963
	<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 STAFF COSTS

	2022	2021
	£	£
Wages and salaries	2,311,887	2,250,016
Social security costs	243,875	228,923
Pension costs	271,371	260,086
	<hr/>	<hr/>
	2,827,133	2,739,025
	<hr/>	<hr/>

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

	2022	2021
	No	No
Senior management	8	7
Academic staff	48	43
Support staff	17	22
Agency staff	6	6
Research, consultancy & training	1	1
	<hr/>	<hr/>
	80	79
	<hr/>	<hr/>

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

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

9 STAFF COSTS (continued)

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

	2022	2021
	No	No
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1

Retirement benefits of £49,505 (2021: £49,639) are accruing to three (2021: three) of these members of staff.

Key management personnel received aggregate remuneration including employer pension contributions of £655,748 (2021: £618,143).

During the year there were no loss of office payments made (2021: 2). These cost the College £Nil (2021: £14,326). The employees were not considered to be part of key management personnel.

10 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 £350 (2021: £nil) were paid for travel expenses, to one Trustee (2021: nil).

11 NET MOVEMENT IN FUNDS

Net movement in funds are stated after charging:

	2022	2021
	£	£
Research and development costs	5,603	3,892
Auditor's remuneration:		
- Statutory audit of the parent and group	6,475	7,260
- Statutory audit of the subsidiary	16,375	15,295
- Other non-audit services	8,835	7,725
- Taxation compliance services	4,510	3,100
Amortisation	8,423	2,938
Depreciation	274,969	281,093
Loss on disposal of tangible fixed assets	-	660
Operating lease rentals	75,720	87,653
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	853

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

12 TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2022 or the year ended 31 July 2021.

13 INTANGIBLE FIXED ASSETS

Group

	Software and licences £	Assets in the course of construction £	Total £
Cost			
At 1 August 2021	18,202	1,712	19,914
Additions – separately acquired	85,620	-	85,620
Disposal	-	(1,712)	(1,712)
	<hr/>	<hr/>	<hr/>
At 31 July 2022	103,822	-	103,822
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 August 2021	14,774	-	14,774
Amortisation charged in the year	8,423	-	8,423
	<hr/>	<hr/>	<hr/>
At 31 July 2022	23,197	-	23,197
	<hr/>	<hr/>	<hr/>
Net book value 31 July 2022	80,625	-	80,625
	<hr/>	<hr/>	<hr/>
Net book value 31 July 2021	3,428	1,712	5,140
	<hr/>	<hr/>	<hr/>

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

The intangible assets previously included within assets in the course of construction above have been reclassified during the year to debtors.

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 2022

14 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2021	1,043,582	3,665,768	163,491	133,739	5,006,580
Additions	-	-	1,082	65,796	66,878
At 31 July 2022	1,043,582	3,665,768	164,573	199,535	5,073,458
Depreciation					
At 1 August 2021	67,307	322,068	116,101	78,891	584,367
Depreciation charged in the year	33,259	161,035	45,911	34,764	274,969
At 31 July 2022	100,566	483,103	162,012	113,655	859,336
Net book value 31 July 2022	943,016	3,182,665	2,561	85,880	4,214,122
Net book value 31 July 2021	976,275	3,343,700	47,390	54,848	4,422,213

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 2022

15 FIXED ASSET INVESTMENTS
Group

	2022 £	2021 £
Listed investments	2,586,687	2,443,842
	<hr/>	<hr/>
Movements in fixed asset investments		Listed investments £
Valuation		
At 1 August 2021		2,443,842
Additions		424,426
Disposals		(1,208)
Valuation changes		(280,373)
		<hr/>
At 31 July 2022		2,586,687
		<hr/>
Carrying amount		
At 31 July 2022		2,586,687
		<hr/>
At 31 July 2021		2,443,842
		<hr/>

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

15 FIXED ASSET INVESTMENTS (continued)
Charitable Company

	2022 £	2021 £
Listed investments	2,586,687	2,443,842
Investments in group undertakings	51	51
	<hr/> 2,586,738 <hr/>	<hr/> 2,443,893 <hr/>
Movements in fixed asset investments		
	Listed investments £	Shares in group undertaking £
Cost or valuation		
At 1 August 2021	2,443,842	51
Additions	424,426	-
Disposals	(1,208)	-
Valuation changes	(280,373)	-
	<hr/>	<hr/>
At 31 July 2022	2,586,687	51
	<hr/>	<hr/>
Carrying amount		
At 31 July 2022	2,586,687	51
	<hr/>	<hr/>
At 31 July 2021	2,443,842	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 2022

15 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:

	2022			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	4,827,555	(4,625,841)	201,714	5,045,038
<hr/>				
	2021			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	4,710,894	(4,446,681)	264,213	5,208,098
<hr/>				

16 STOCKS

	Group		Charitable Company	
	2022 £	2021 £	2022 £	2021 £
Stock of supplies and finished goods	7,338	19,042	-	-
<hr/>				

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

17 DEBTORS

	Group		Charitable Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	17,311	50,334	-	-
Other debtors	2,498	5,923	2,200	-
Prepayments and accrued income	166,728	288,640	18,272	600
	<u>186,537</u>	<u>344,897</u>	<u>20,472</u>	<u>600</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charitable Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	95,454	167,567	-	-
Taxation and social security costs	69,595	77,303	-	-
Amounts owed to group undertakings	-	-	79,382	22,556
Other creditors	47,218	100,232	-	-
Accruals and deferred income	339,136	476,108	14,632	13,690
	<u>551,403</u>	<u>821,210</u>	<u>94,014</u>	<u>36,246</u>

19 DEFERRED INCOME

	Group		Charitable Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred income is included within:				
Creditors due within one year	1,699	3,000	-	-
Deferred income at 1 August	3,000	7,003	-	-
Released from previous years	(3,000)	(7,003)	-	-
Resources deferred in the year	600	3,000	-	-
Deferred income at 31 July	<u>600</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

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

20 FINANCIAL INSTRUMENTS

	2022	2021
	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value	<u>2,586,687</u>	<u>2,443,842</u>

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

21 FUNDS
Group

	At 1 August 2021 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2022 £
RESTRICTED FUNDS					
Benevolent fund	-	335,355	(1,674)	1,733	335,414
UNRESTRICTED FUNDS					
General fund	5,900,003	4,823,044	(4,630,631)	(642,106)	5,450,310
Designated funds	1,730,000	-	-	360,000	2,090,000
TOTAL FUNDS	7,630,003	5,158,399	(4,632,305)	(280,373)	7,875,724

Charitable Company

	At 1 August 2021 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2022 £
RESTRICTED FUNDS					
Benevolent fund	-	335,355	(1,674)	1,733	335,414
UNRESTRICTED FUNDS					
General fund	691,956	401,950	(71,480)	(642,106)	380,320
Designated funds	1,730,000	-	-	360,000	2,090,000
TOTAL FUNDS	2,421,956	737,305	(73,154)	(280,373)	2,805,734

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

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

21 FUNDS (continued)

Designated funds

Funds of £1,500,000 (2021: £1,500,000) 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 £590,000 (2021: £230,000) is designated in respect of the anticipated cost of replacing buildings.

Benevolent fund

During the current year, The Norland Institute Benevolent Fund (registered charity number 208818) was dissolved and its assets transferred to the Norland Foundation. The Norland Institute Benevolent Fund was originally founded in 1915, with the following stated purpose: "For the relief of poverty, sickness or distress of any persons connected with Norland College whether as a member of staff or as persons undergoing training as nannies, or those who have trained". The 'Norland Institute' was the forerunner of what is now Norland College.

A resolution was passed on 15 February 2022 to close the charity and transfer its assets to The Norland Foundation, where it would be accounted for as a restricted fund and continue operating with the same stated purpose.

22 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2022

	Restricted funds	General fund	Designated funds	Total funds
	£	£	£	£
Intangible assets	-	80,625	-	80,625
Tangible assets	-	4,214,122	-	4,214,122
Investments	311,649	185,038	2,090,000	2,586,687
Net current assets	23,765	970,525	-	994,290
TOTAL NET ASSETS				
At 31 July 2022	335,414	5,450,310	2,090,000	7,875,724

2021

	Restricted funds	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

23 CONTROL

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

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

24 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.

25 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	2022	2021
	£	£
Operating leases which expire:		
Within one year	84,010	80,075
Between two and five years	310,390	308,029
Over 5 years	1,694,905	1,714,475
	<hr/>	<hr/>
	2,089,305	2,102,579
	<hr/>	<hr/>

Charitable Company

The Charitable Company has no financial commitments.

26 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	2022	2021
	£	£
Teachers' pension scheme contributions paid	183,583	178,552
Norland stakeholder pension scheme contributions paid	87,788	81,537
	<hr/>	<hr/>
Total pension contributions paid in the year	271,371	260,089
	<hr/>	<hr/>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016.

At the year end contributions of £34,793 (2021: £34,910) were outstanding and included in creditors.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

26 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 £183,583 (2021: £178,552).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

27 NOTES TO THE STATEMENT OF CASH FLOWS

Cash generated from operations	2022 £	2021 £
Net surplus	245,721	541,417
Adjustments for:		
Investment income	(37,472)	(34,021)
Loss on disposal of tangible fixed assets	-	660
Amortisation of intangible assets	8,423	2,938
Depreciation of tangible fixed assets	274,969	281,093
Net gains on investments	280,373	315,502
Movements in working capital:		
Decrease in stock	11,704	7,989
(Decrease)/increase in debtors	160,072	(118,457)
(Decrease)/increase in creditors	(269,807)	99,822
Net cash inflow from operating activities	673,983	465,939

28 ANALYSIS OF CHANGES IN NET FUNDS

	1 August 2021 £	Cash flows £	31 July 2022 £
Cash at bank and in hand	1,216,079	135,739	1,351,818

29 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 £Nil (2021: £3,200). At the Balance Sheet date no amount was outstanding (2021: £nil).

Ms R Heald (a director of the College) is married to the Managing Partner of the College's lead provider of legal services, Veale Wasbrough Vizards LLP. The College received legal services totalling £10,425 (2021: £38,393) during the year. At the Balance Sheet date, the amount due to the legal service provider was £Nil (2021: £1,804). All transactions were entered into on an arm's length basis.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2022

29 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:

	2022	2021
	£	£
Transactions in the year		
Distribution under gift aid from Norland College Limited to The Norland Foundation	364,774	300,000
Research Project funding awarded to Norland College Limited from The Norland Foundation	23,245	29,542
Shared resource charge made by Norland College Limited to The Norland Foundation	18,429	11,927
	<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	94,522	22,556
	<hr/>	<hr/>