

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 2024**

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)
Mrs E Burns 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
18 Queen Square
Bath
BA1 2HN

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 2024. 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).

The Trustees' Report includes a Directors' Report as required by company law. This report also includes the information required to be disclosed in a Strategic Report under the Companies Act 2006 and the Charities SORP.

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.

The Charity also incorporates a Benevolent Fund, accounted for as a restricted reserve. This was formerly the Norland Institute Benevolent Fund (registered charity number 208818), 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".

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.

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FOR THE YEAR ENDED 31 JULY 2024

This incorporates supporting the College's agreed OfS Student Protection Plan, a plan agreed by the OfS that confirms adequate provision (£1.65m) 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.

During the year it has retained and further developed its 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;
- provide a Benevolent Fund to financially assist persons connected with Norland College; and
- meet its other charitable objects.

In the year ended 31 July 2024 the Norland Foundation has continued to fund a number of research projects. It funded a Fellowship in Early Relational Health at the University of Massachusetts for two members of staff and Literature Review on the topic of Emotion Coaching. It also funded a Research Assistant who carried out a qualitative analysis of 43 case studies that had been collected for a national Attachment Aware Schools project for Bath and North East Somerset, Stoke and Leicestershire Virtual Schools. A long report that was already in progress by other authors was completed and a short paper written.

The Foundation have continued to fund the Norland Educare Research Journal, now in its second issue. It has also made a further grant to a local charity, First Steps (Bath) that works with young children with Special Educational Needs. The funding to First Steps enables the charity to facilitate 'Stay and Play' sessions for Children with Special Educational Needs and their parent/carers. Parent/carers receive support from experienced Early Years Practitioners and Special Educational Need Family Support Practitioners whilst the children enjoy a well-planned, engaging environment that appeals to their interests.

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 a BA Honours degree in Early Childhood Education and Care. 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.

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.

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FOR THE YEAR ENDED 31 JULY 2024

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 has undergone assessment for Indefinite Degree Awarding Powers during the year ended 31 July 2024, with full University title expected to follow in a further 1-2 years' time. The College continues to review and consider its future teaching and student accommodation needs, to ensure best provision for its students 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 future educational and training purposes.

ACHIEVEMENTS AND PERFORMANCE

Student intake for the current academic year (2024/25) is higher than usual, with 128 first years enrolling in September 2024.

In 2023/24 67.8% of third year students who completed their degrees achieved a first class or 2:1 classification. Retention on the BA programme remains strong, with 91% of first, 99% of second and 100% of third years continuing their studies throughout 2023/24. This compares very favourably with similar courses at other institutions.

Norland was awarded top small or specialist provider in the 2024 Whatuni Student Choice awards, making the College a top two Whatuni winner for six consecutive years.

The Norland Agency has experienced a slight decrease in income in line with the recruitment industry. However, alongside the continued positive media interest and a project to invest in new software, placements for the new financial year are predicted to increase once again.

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. During the year ended 31 July 2023, Norland entered into a significant contract with the Abu Dhabi Early Childhood Authority, to provide expert consultancy advice and support on the development of its flagship Academy for Childhood Development. In the year ended 31 July 2023, the contract resulted in income of £834,800 for Norland, and related costs of £504,363, representing the majority of income and costs for Phase 1 (set up) of the Academy. Phase 1 was completed by 31 August 2023. Further support was given to the Academy during the year ended 31 July 2024, resulting in income of £227,800 and related costs of £43,000. There are a number of new overseas consultancy opportunities in the pipeline.

During the year ended 31 July 2024, Norland entered into a partnership with Emotion Coaching UK, in order to deliver Emotion Coaching training (evidence-based co-regulation strategy for children) to numerous early years settings across the UK. The project is funded by the Education Endowment Foundation and Early Years Stronger Practice Hubs, with total funding over the three year project of £324,080 from the Education Endowment Foundation and £204,830 from the Stronger Practice Hubs.

During the year ended 31 July 2024, grant funding totaling £204,830 was received from the Stronger Practice Hubs in relation to the project. Of this, £77,893 was recognized during the period in line with project delivery, with £126,937 carried forward as deferred income to match delivery at a future date. £75,252 was paid to Emotion Coaching UK for services as delivery partner.

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.

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FOR THE YEAR ENDED 31 JULY 2024

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. Inflation and Economic Pressures

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

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

RESERVES POLICY

The reserves policy ensures 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 £667,877 (2023: £351,095) and total surplus unrestricted designated reserves of £2,090,000 (2023: £2,090,000).

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FOR THE YEAR ENDED 31 JULY 2024

At the balance sheet date, the Group held total general unrestricted reserves of £5,499,724 (2023: £5,350,131) with £3,737,074 (2023: £3,931,369) held in freehold property and leasehold improvements, leaving £1,762,650 (2023: £1,418,762) in other net assets. The Group held total designated unrestricted reserves of £2,090,000 (2023: £2,090,000).

FINANCIAL REVIEW

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

During the year the Group recorded total income of £5,659,634 (2023: £5,869,835), reflecting mainly the activity of the College. The Group showed a net increase in funds of £175,286 (2023: net decrease of £106,227). At the balance sheet date, the Group held total net assets of £7,944,783 (2023: £7,769,497).

During the year the Charity made further investments in its portfolio. At the balance sheet date the Charity held £2,963,606 (2023: £2,668,883) 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 2024, the assets in the main and legacy benevolent fund portfolios were valued at £2,643,721 and £319,834 respectively. This represents total returns for the last 12 months of +6.74% and +8.45% respectively. This is ahead of inflation and represents a welcome recovery in asset prices post covid. The US equity markets have driven the growth in the portfolio, whilst much of the income is sourced from the UK. The mega cap stocks in the US, known as the magnificent 7, have been major drivers of equity gains, but they encountered significant volatility in July as investors rotated money into smaller stocks. Equities and bonds have benefitted from the expectation that central banks would start cutting base rates.

Investments continue to be managed on a discretionary mandate in order to achieve a balance between income and growth with a medium/low level of risk.

GOING CONCERN

The Trustees have carefully considered the going concern of the Charity and the Group.

The majority of the Group's activities 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 2026. 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.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 dated 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.

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.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 £1.65m 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 2024 (2023: 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.

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

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 2024 and signed on their behalf.



Trustee:

M C Clarke MA FCA D.Univ FRSA



Trustee:

P H Watkins FCA

THE NORLAND FOUNDATION

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of The Norland Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 the group and of 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE NORLAND FOUNDATION

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

FOR THE YEAR ENDED 31 JULY 2024

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 2024 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 2024 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.

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

FOR THE YEAR ENDED 31 JULY 2024

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.

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.

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

FOR THE YEAR ENDED 31 JULY 2024

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 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.

Kerry Gallagher

THE NORLAND FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND
FOUNDATION
FOR THE YEAR ENDED 31 JULY 2024

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

Date: 16/12/24
.....

THE NORLAND FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2024

	Notes	Restricted funds £	Unrestricted funds £	Total 2024 £	Total 2023 £
INCOME FROM:					
Donations	3	10,000	1,362	11,362	1,200
Investment income	4	10,746	84,494	95,240	71,983
Commercial trading operations		-	5,553,032	5,553,032	5,796,652
Total income		20,746	5,638,888	5,659,634	5,869,835
EXPENDITURE ON:					
Charitable activities	5	1,563	30,301	31,864	30,905
Grants		10,750	-	10,750	206,659
Commercial trading operations		-	5,577,336	5,577,336	5,667,764
Total expenditure		12,313	5,607,637	5,619,950	5,905,328
NET INCOME/(EXPENDITURE) BEFORE NET LOSSES ON INVESTMENTS					
		8,433	31,251	39,684	(35,493)
Net gains/(losses) on investments		17,260	118,342	135,602	(70,734)
NET MOVEMENT IN FUNDS					
	9	25,693	149,593	175,286	(106,227)
RECONCILIATION OF FUNDS					
FUNDS BROUGHT FORWARD AT 1 AUGUST	19	329,366	7,440,131	7,769,497	7,875,724
FUNDS CARRIED FORWARD AT 31 JULY	19	355,059	7,589,724	7,944,783	7,769,497

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 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Intangible assets	11		80,532		82,611
Tangible assets	12		3,831,950		4,028,168
Investments	13		2,963,555		2,668,832
			<hr/>		<hr/>
			6,876,037		6,779,611
CURRENT ASSETS					
Stock	14	8,237		8,643	
Debtors	15	369,584		624,084	
Cash at bank and in hand		1,324,364		1,122,168	
		<hr/>		<hr/>	
			1,702,185		1,754,895
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	16	(633,439)		(765,009)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,068,746		989,886
			<hr/>		<hr/>
TOTAL NET ASSETS			7,944,783		7,769,497
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS	19		355,059		329,366
UNRESTRICTED FUNDS					
General funds	19		5,499,724		5,350,131
Designated funds	19		2,090,000		2,090,000
			<hr/>		<hr/>
TOTAL FUNDS			7,944,783		7,769,497
			<hr/>		<hr/>

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2024 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 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Investments	13		2,963,606		2,668,883
CURRENT ASSETS					
Debtors	15	1,000		1,600	
Cash at bank and in hand		253,072		118,682	
		254,072		120,282	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(104,742)		(18,704)	
NET CURRENT ASSETS			149,330		101,578
TOTAL NET ASSETS			3,112,936		2,770,461
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS					
Benevolent Fund	19		355,059		329,366
UNRESTRICTED FUNDS					
General funds	19		667,877		351,095
Designated funds	19		2,090,000		2,090,000
TOTAL FUNDS			3,112,936		2,770,461

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 Norland Foundation's total net income for the year was £206,873 (2023: £7,219) and the net movement in funds was £342,475 (2023: deficit of £35,273).

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2024 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 2024

	Notes	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by/(used in) operating activities	25	330,703	(77,339)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
		330,703	(77,339)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(10,031)	(10,548)
Purchase of tangible fixed assets		(54,595)	(60,867)
Purchase of investments		(159,121)	(472,752)
Proceeds on disposal of investments		-	319,873
Investment income		95,240	71,983
NET CASH USED IN INVESTING ACTIVITIES			
		(128,507)	(152,311)
INCREASE/(DECREASE) IN CASH IN THE YEAR			
		202,196	(229,650)
CASH AND CASH EQUIVALENTS AT 1 AUGUST			
		1,122,168	1,351,818
CASH AND CASH EQUIVALENTS AT 31 JULY			
		1,324,364	1,122,168

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

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 activities 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 2026. 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 2024

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 2024. 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 Group 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. Consultancy income is recognised at the time the work is carried out.

Revenue from the contract with the Education Endowment Fund and Stronger Practice Hubs in Partnership with Emotion Coaching UK is recognised in line with delivery against specific contract milestones. Where milestone delivery is uncertain, revenue is recognised in line with costs incurred.

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 2024

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 note 19 of 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 note 19 of 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 Charitable Company's financial statements, 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 2024

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' Pension Scheme (TPS), 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 TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Group operates a defined contribution 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.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES (continued)

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.

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 DONATIONS

	2024 £	2023 £
Donations received	11,362	1,200

In the current year, donations received of £1,362 (2023: £1,200) is unrestricted and £10,000 (2023: £nil) is restricted.

4 INVESTMENT INCOME

	2024 £	2023 £
Investment income	70,152	58,529
Bank interest received	25,088	13,454
	95,240	71,983

In the current year, investment income of £10,746 (2023: £9,680) is restricted.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

5 CHARITABLE ACTIVITIES EXPENDITURE

	Direct Costs £	Support Costs (see note 6) £	2024 Total £	2023 Total £
Charitable activities	-	31,864	31,864	30,905

In the current year, £1,563 (2023: £525) of expenditure from charitable activities relating to investment management charges was restricted.

6 SUPPORT COSTS

	2024 £	2023 £
Support		
Insurance	2,033	2,033
Investment management fees	14,575	12,867
Governance		
Bank charges	11	10
Audit fees	7,560	6,774
Accountancy fees	5,280	5,550
Tax compliance fees	2,100	3,420
Statutory compliance fees	13	13
Trustees' expenses	292	238
	31,864	30,905

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.

7 STAFF COSTS

	2024 £	2023 £
Wages and salaries	2,887,449	2,770,468
Social security costs	302,126	300,994
Pension costs	333,332	270,436
	3,522,907	3,341,898

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

7 STAFF COSTS (continued)

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

	2024 No	2023 No
Senior management	7	7
Academic staff	46	49
Support staff	22	22
Agency staff	9	6
Research, consultancy & training	1	1
	<hr/>	<hr/>
	85	85
	<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:

	2024 No	2023 No
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<hr/>	<hr/>

Retirement benefits of £96,446 (2023: £69,439) are accruing to six (2023: seven) of these members of staff.

Key management personnel received aggregate remuneration including employer pension contributions of £726,531 (2023: £719,509).

8 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 £292 (2023: £238) were paid for travel expenses, to three Trustees (2023: three).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

9 NET MOVEMENT IN FUNDS

Net movement in funds are stated after charging:

	2024	2023
	£	£
Auditor's remuneration:		
- Statutory audit of the parent and group	7,800	7,445
- Statutory audit of the subsidiary	21,885	18,830
- Other non-audit services	9,995	9,715
- Taxation compliance services	5,260	4,960
Amortisation	12,110	8,562
Depreciation	250,813	246,821
Operating lease rentals	102,558	90,039
	<hr/> <hr/>	<hr/> <hr/>

10 TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2024 or the year ended 31 July 2023.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

11 INTANGIBLE FIXED ASSETS

Group

	Software and licences £
Cost	
At 1 August 2023	114,370
Additions – separately acquired	10,031
	<hr/>
At 31 July 2024	124,401
	<hr/>
Amortisation	
At 1 August 2023	31,759
Amortisation charged in the year	12,110
	<hr/>
At 31 July 2024	43,869
	<hr/>
Net book value 31 July 2024	80,532
	<hr/>
Net book value 31 July 2023	82,611
	<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 2024

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2023	1,043,582	3,665,768	164,573	260,402	5,134,325
Additions	-	-	-	54,595	54,595
At 31 July 2024	1,043,582	3,665,768	164,573	314,997	5,188,920
Depreciation					
At 1 August 2023	133,826	644,155	163,455	164,721	1,106,157
Depreciation charged in the year	33,260	161,035	506	56,012	250,813
At 31 July 2024	167,086	805,190	163,961	220,733	1,356,970
Net book value 31 July 2024	876,496	2,860,578	612	94,264	3,831,950
Net book value 31 July 2023	909,756	3,021,613	1,118	95,681	4,028,168

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 2024

13 FIXED ASSET INVESTMENTS
Group

	2024 £	2023 £
Listed investments	2,963,555	2,668,832
Movements in fixed asset investments		Listed investments £
Valuation		
At 1 August 2023		2,668,832
Additions		159,121
Valuation changes		135,602
At 31 July 2024		2,963,555
Carrying amount		
At 31 July 2024		2,963,555
At 31 July 2023		2,668,832
Charitable Company		
	2024 £	2023 £
Listed investments	2,963,555	2,668,832
Investments in group undertakings	51	51
	2,963,606	2,668,883
Movements in fixed asset investments		Shares in group undertaking £
Cost or valuation		
At 1 August 2023	2,668,832	51
Additions	159,121	-
Valuation changes	135,602	-
At 31 July 2024	2,963,555	51
Carrying amount		
At 31 July 2024	2,963,555	51
At 31 July 2023	2,668,832	51

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 2024

13 FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

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:

	2024			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	5,658,543	(5,577,323)	81,220	4,831,896
	2023			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	5,877,396	(5,642,747)	234,649	4,999,087

14 STOCKS

	Group		Charitable Company	
	2024 £	2023 £	2024 £	2023 £
Stock of supplies and finished goods	8,237	8,643	-	-

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

15 DEBTORS

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	63,486	393,210	-	-
Other debtors	11,943	5,440	1,000	1,600
Prepayments and accrued income	294,155	225,434	-	-
	<u>369,584</u>	<u>624,084</u>	<u>1,000</u>	<u>1,600</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	169,390	135,951	-	-
Taxation and social security costs	122,963	137,465	-	-
Amounts owed to group undertakings	-	-	86,025	1,013
Other creditors	11,291	14,958	-	-
Accruals and deferred income	329,795	476,635	18,717	17,691
	<u>633,439</u>	<u>765,009</u>	<u>104,742</u>	<u>18,704</u>

17 DEFERRED INCOME

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Deferred income is included within:				
Creditors due within one year	<u>126,937</u>	<u>43,000</u>	<u>-</u>	<u>-</u>
Deferred income at 1 August	43,000	600	-	-
Released from previous years	(43,000)	(600)	-	-
Resources deferred in the year	<u>126,937</u>	<u>43,000</u>	<u>-</u>	<u>-</u>
Deferred income at 31 July	<u>126,937</u>	<u>43,000</u>	<u>-</u>	<u>-</u>

Deferred income of £126,937 in the current year relates to a commercial contract with Emotion Coaching UK. The deferred income in the 2023 relates to a commercial contract with the Early Childhood Authority in Abu Dhabi.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

18 FINANCIAL INSTRUMENTS	2024 £	2023 £
Carrying amount of financial assets		
Equity instruments measured at fair value	2,963,555	2,668,832

19 FUNDS Group	At 1 August 2023 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2024 £
RESTRICTED FUNDS					
Benevolent fund	329,366	20,746	(12,313)	17,260	355,059
UNRESTRICTED FUNDS					
General fund	5,350,131	5,638,888	(5,607,637)	118,342	5,499,724
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	7,769,497	5,659,634	(5,619,950)	135,602	7,944,783

Charitable Company

	At 1 August 2023 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2024 £
RESTRICTED FUNDS					
Benevolent fund	329,366	20,746	(12,313)	17,260	355,059
UNRESTRICTED FUNDS					
General fund	351,095	309,179	(110,739)	118,342	667,877
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	2,770,461	329,925	(123,052)	135,602	3,112,936

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

19 FUNDS (continued)

Group	At 1 August 2022 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2023 £
RESTRICTED FUNDS					
Benevolent fund	335,414	9,680	(207,184)	191,456	329,366
UNRESTRICTED FUNDS					
General fund	5,450,310	5,860,155	(5,698,144)	(262,190)	5,350,131
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	7,875,724	5,869,835	(5,905,328)	(70,734)	7,769,497

Charitable Company

	At 1 August 2022 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2023 £
RESTRICTED FUNDS					
Benevolent fund	335,414	9,680	(207,184)	191,456	329,366
UNRESTRICTED FUNDS					
General fund	380,320	330,651	(159,876)	(200,000)	351,095
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	2,805,734	340,331	(367,060)	(8,544)	2,770,461

Designated funds

Funds of £1,500,000 (2023: £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 (2023: £590,000) is designated in respect of the anticipated cost of replacing buildings.

Benevolent fund

In 2022, The Norland Institute Benevolent Fund (registered charity number 208818) was dissolved and its assets were 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.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2024 Group

	Restricted funds £	General fund £	Designated funds £	Total funds £
Intangible assets	-	80,532	-	80,532
Tangible assets	-	3,831,950	-	3,831,950
Investments	319,834	553,721	2,090,000	2,963,555
Net current assets	35,225	1,033,521	-	1,068,746
TOTAL NET ASSETS				
At 31 July 2024	355,059	5,499,724	2,090,000	7,944,783

2024 Charitable Company

	Restricted funds £	General fund £	Designated funds £	Total funds £
Investments	319,834	553,772	2,090,000	2,963,606
Net current assets	35,225	114,105	-	149,330
TOTAL NET ASSETS				
At 31 July 2024	355,059	667,877	2,090,000	3,112,936

2023 Group

	Restricted funds £	General fund £	Designated funds £	Total funds £
Intangible assets	-	82,611	-	82,611
Tangible assets	-	4,028,168	-	4,028,168
Investments	302,575	276,257	2,090,000	2,668,832
Net current assets	26,791	963,095	-	989,886
TOTAL NET ASSETS				
At 31 July 2023	329,366	5,350,131	2,090,000	7,769,497

2023 Charitable Company

	Restricted funds £	General fund £	Designated funds £	Total funds £
Investments	302,575	276,308	2,090,000	2,668,883
Net current assets	26,791	74,787	-	101,578
TOTAL NET ASSETS				
At 31 July 2023	329,366	351,095	2,090,000	2,770,461

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

21 CONTROL

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

22 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.

23 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	2024 £	2023 £
Operating leases which expire:		
Within one year	101,435	88,897
Between two and five years	354,639	333,168
Over 5 years	1,912,098	1,830,380
	<hr/>	<hr/>
	2,368,172	2,252,445
	<hr/>	<hr/>

Charitable Company

The Charitable Company has no financial commitments.

24 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	2024 £	2023 £
Teachers' pension scheme contributions paid	222,877	191,131
Norland stakeholder pension scheme contributions paid	110,455	79,305
	<hr/>	<hr/>
Total pension contributions paid in the year	333,332	270,436
	<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 2020.

At the year end contributions of £42,795 (2023: £38,436) were outstanding and included in creditors.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

24 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 2020.

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £222,877 (2023: £191,131).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

25 NOTES TO THE STATEMENT OF CASH FLOWS

Cash generated from operations	2024 £	2023 £
Net surplus/(deficit)	175,286	(106,227)
Adjustments for:		
Investment income	(95,240)	(71,983)
Amortisation of intangible assets	12,110	8,562
Depreciation of tangible fixed assets	250,813	246,821
Net (gains)/losses on investments	(135,602)	70,734
Movements in working capital:		
Decrease/(increase) in stock	406	(1,305)
Decrease/(increase) in debtors	254,498	(437,547)
(Decrease)/increase in creditors	(131,568)	213,606
Net cash inflow/(outflow) from operating activities	330,703	(77,339)

26 ANALYSIS OF CHANGES IN NET FUNDS

	1 August 2023 £	Cash flows £	31 July 2024 £
Cash at bank and in hand	1,122,168	202,196	1,324,364

27 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 (2023: £800). At the Balance Sheet date £Nil was outstanding (2023: £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 £18,638 (2023: £97,057) during the year. At the balance sheet date, the amount outstanding was £nil (2023 £4,894). The Board of Directors are satisfied as to the probity of the relationship.

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.

Dr Janet Rose (Principal) is a director of Emotion Coaching UK. During the year ended 31 July 2024, Norland entered into a partnership with Emotion Coaching UK, in order to deliver Emotion Coaching training (evidence-based co-regulation strategy for children) to numerous early years settings across the UK.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

27 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

During the year ended 31 July 2024, grant funding totaling £204,830 (2023: £nil) was received from the Stronger Practice Hubs in relation to the project. Of this, £77,893 was recognised during the period in line with project delivery, with £126,937 carried forward as deferred income to match delivery at a future date. £75,252 was paid to Emotion Coaching UK as delivery partner. The Board of Directors are satisfied as to the probity of the relationship.

The intergroup transactions and year end balances were:

	2024 £	2023 £
Transactions in the year		
Distribution under gift aid from Norland College Limited to The Norland Foundation	248,411	280,600
Research Project funding awarded to Norland College Limited from The Norland Foundation	60,317	48,746
Shared resource charge made by Norland College Limited to The Norland Foundation	20,121	18,560
	<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	86,025	1,013
	<hr/>	<hr/>

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 2024**

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)
Mrs E Burns 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
18 Queen Square
Bath
BA1 2HN

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 2024. 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).

The Trustees' Report includes a Directors' Report as required by company law. This report also includes the information required to be disclosed in a Strategic Report under the Companies Act 2006 and the Charities SORP.

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.

The Charity also incorporates a Benevolent Fund, accounted for as a restricted reserve. This was formerly the Norland Institute Benevolent Fund (registered charity number 208818), 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".

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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

This incorporates supporting the College's agreed OfS Student Protection Plan, a plan agreed by the OfS that confirms adequate provision (£1.65m) 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.

During the year it has retained and further developed its 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;
- provide a Benevolent Fund to financially assist persons connected with Norland College; and
- meet its other charitable objects.

In the year ended 31 July 2024 the Norland Foundation has continued to fund a number of research projects. It funded a Fellowship in Early Relational Health at the University of Massachusetts for two members of staff and Literature Review on the topic of Emotion Coaching. It also funded a Research Assistant who carried out a qualitative analysis of 43 case studies that had been collected for a national Attachment Aware Schools project for Bath and North East Somerset, Stoke and Leicestershire Virtual Schools. A long report that was already in progress by other authors was completed and a short paper written.

The Foundation have continued to fund the Norland Educare Research Journal, now in its second issue. It has also made a further grant to a local charity, First Steps (Bath) that works with young children with Special Educational Needs. The funding to First Steps enables the charity to facilitate 'Stay and Play' sessions for Children with Special Educational Needs and their parent/carers. Parent/carers receive support from experienced Early Years Practitioners and Special Educational Need Family Support Practitioners whilst the children enjoy a well-planned, engaging environment that appeals to their interests.

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 a BA Honours degree in Early Childhood Education and Care. 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.

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 NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 has undergone assessment for Indefinite Degree Awarding Powers during the year ended 31 July 2024, with full University title expected to follow in a further 1-2 years' time. The College continues to review and consider its future teaching and student accommodation needs, to ensure best provision for its students 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 future educational and training purposes.

ACHIEVEMENTS AND PERFORMANCE

Student intake for the current academic year (2024/25) is higher than usual, with 128 first years enrolling in September 2024.

In 2023/24 67.8% of third year students who completed their degrees achieved a first class or 2:1 classification. Retention on the BA programme remains strong, with 91% of first, 99% of second and 100% of third years continuing their studies throughout 2023/24. This compares very favourably with similar courses at other institutions.

Norland was awarded top small or specialist provider in the 2024 Whatuni Student Choice awards, making the College a top two Whatuni winner for six consecutive years.

The Norland Agency has experienced a slight decrease in income in line with the recruitment industry. However, alongside the continued positive media interest and a project to invest in new software, placements for the new financial year are predicted to increase once again.

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. During the year ended 31 July 2023, Norland entered into a significant contract with the Abu Dhabi Early Childhood Authority, to provide expert consultancy advice and support on the development of its flagship Academy for Childhood Development. In the year ended 31 July 2023, the contract resulted in income of £834,800 for Norland, and related costs of £504,363, representing the majority of income and costs for Phase 1 (set up) of the Academy. Phase 1 was completed by 31 August 2023. Further support was given to the Academy during the year ended 31 July 2024, resulting in income of £227,800 and related costs of £43,000. There are a number of new overseas consultancy opportunities in the pipeline.

During the year ended 31 July 2024, Norland entered into a partnership with Emotion Coaching UK, in order to deliver Emotion Coaching training (evidence-based co-regulation strategy for children) to numerous early years settings across the UK. The project is funded by the Education Endowment Foundation and Early Years Stronger Practice Hubs, with total funding over the three year project of £324,080 from the Education Endowment Foundation and £204,830 from the Stronger Practice Hubs.

During the year ended 31 July 2024, grant funding totaling £204,830 was received from the Stronger Practice Hubs in relation to the project. Of this, £77,893 was recognized during the period in line with project delivery, with £126,937 carried forward as deferred income to match delivery at a future date. £75,252 was paid to Emotion Coaching UK for services as delivery partner.

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 NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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. Inflation and Economic Pressures

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

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

RESERVES POLICY

The reserves policy ensures 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 £667,877 (2023: £351,095) and total surplus unrestricted designated reserves of £2,090,000 (2023: £2,090,000).

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

At the balance sheet date, the Group held total general unrestricted reserves of £5,499,724 (2023: £5,350,131) with £3,737,074 (2023: £3,931,369) held in freehold property and leasehold improvements, leaving £1,762,650 (2023: £1,418,762) in other net assets. The Group held total designated unrestricted reserves of £2,090,000 (2023: £2,090,000).

FINANCIAL REVIEW

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

During the year the Group recorded total income of £5,659,634 (2023: £5,869,835), reflecting mainly the activity of the College. The Group showed a net increase in funds of £175,286 (2023: net decrease of £106,227). At the balance sheet date, the Group held total net assets of £7,944,783 (2023: £7,769,497).

During the year the Charity made further investments in its portfolio. At the balance sheet date the Charity held £2,963,606 (2023: £2,668,883) 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 2024, the assets in the main and legacy benevolent fund portfolios were valued at £2,643,721 and £319,834 respectively. This represents total returns for the last 12 months of +6.74% and +8.45% respectively. This is ahead of inflation and represents a welcome recovery in asset prices post covid. The US equity markets have driven the growth in the portfolio, whilst much of the income is sourced from the UK. The mega cap stocks in the US, known as the magnificent 7, have been major drivers of equity gains, but they encountered significant volatility in July as investors rotated money into smaller stocks. Equities and bonds have benefitted from the expectation that central banks would start cutting base rates.

Investments continue to be managed on a discretionary mandate in order to achieve a balance between income and growth with a medium/low level of risk.

GOING CONCERN

The Trustees have carefully considered the going concern of the Charity and the Group.

The majority of the Group's activities 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 2026. 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

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 dated 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.

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.

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 £1.65m 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 2024 (2023: 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.

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

THE NORLAND FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2024

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 2024 and signed on their behalf.



Trustee:

M C Clarke MA FCA D.Univ FRSA



Trustee:

P H Watkins FCA

THE NORLAND FOUNDATION

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of The Norland Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 the group and of 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE NORLAND FOUNDATION

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

FOR THE YEAR ENDED 31 JULY 2024

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 2024 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 2024 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 2024

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.

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.

THE NORLAND FOUNDATION

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

FOR THE YEAR ENDED 31 JULY 2024

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 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.

Kerry Gallagher

THE NORLAND FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORLAND
FOUNDATION
FOR THE YEAR ENDED 31 JULY 2024

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

Date: 16/12/24
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THE NORLAND FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2024

	Notes	Restricted funds £	Unrestricted funds £	Total 2024 £	Total 2023 £
INCOME FROM:					
Donations	3	10,000	1,362	11,362	1,200
Investment income	4	10,746	84,494	95,240	71,983
Commercial trading operations		-	5,553,032	5,553,032	5,796,652
Total income		20,746	5,638,888	5,659,634	5,869,835
EXPENDITURE ON:					
Charitable activities	5	1,563	30,301	31,864	30,905
Grants		10,750	-	10,750	206,659
Commercial trading operations		-	5,577,336	5,577,336	5,667,764
Total expenditure		12,313	5,607,637	5,619,950	5,905,328
NET INCOME/(EXPENDITURE) BEFORE NET LOSSES ON INVESTMENTS					
		8,433	31,251	39,684	(35,493)
Net gains/(losses) on investments		17,260	118,342	135,602	(70,734)
NET MOVEMENT IN FUNDS	9	25,693	149,593	175,286	(106,227)
RECONCILIATION OF FUNDS					
FUNDS BROUGHT FORWARD AT 1 AUGUST	19	329,366	7,440,131	7,769,497	7,875,724
FUNDS CARRIED FORWARD AT 31 JULY	19	355,059	7,589,724	7,944,783	7,769,497

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 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Intangible assets	11		80,532		82,611
Tangible assets	12		3,831,950		4,028,168
Investments	13		2,963,555		2,668,832
			6,876,037		6,779,611
CURRENT ASSETS					
Stock	14	8,237		8,643	
Debtors	15	369,584		624,084	
Cash at bank and in hand		1,324,364		1,122,168	
			1,702,185		1,754,895
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	16	(633,439)		(765,009)	
NET CURRENT ASSETS			1,068,746		989,886
TOTAL NET ASSETS			7,944,783		7,769,497
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS	19		355,059		329,366
UNRESTRICTED FUNDS					
General funds	19		5,499,724		5,350,131
Designated funds	19		2,090,000		2,090,000
TOTAL FUNDS			7,944,783		7,769,497

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2024 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 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Investments	13		2,963,606		2,668,883
CURRENT ASSETS					
Debtors	15	1,000		1,600	
Cash at bank and in hand		253,072		118,682	
		254,072		120,282	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(104,742)		(18,704)	
NET CURRENT ASSETS			149,330		101,578
TOTAL NET ASSETS			3,112,936		2,770,461
THE FUNDS OF THE CHARITY:					
RESTRICTED FUNDS					
Benevolent Fund	19		355,059		329,366
UNRESTRICTED FUNDS					
General funds	19		667,877		351,095
Designated funds	19		2,090,000		2,090,000
TOTAL FUNDS			3,112,936		2,770,461

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 Norland Foundation's total net income for the year was £206,873 (2023: £7,219) and the net movement in funds was £342,475 (2023: deficit of £35,273).

The financial statements on pages 15 to 38 were approved by the Board of Trustees and authorised for issue on 12 December 2024 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 2024

	Notes	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by/(used in) operating activities	25	330,703	(77,339)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
		330,703	(77,339)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(10,031)	(10,548)
Purchase of tangible fixed assets		(54,595)	(60,867)
Purchase of investments		(159,121)	(472,752)
Proceeds on disposal of investments		-	319,873
Investment income		95,240	71,983
NET CASH USED IN INVESTING ACTIVITIES			
		(128,507)	(152,311)
INCREASE/(DECREASE) IN CASH IN THE YEAR			
		202,196	(229,650)
CASH AND CASH EQUIVALENTS AT 1 AUGUST			
		1,122,168	1,351,818
CASH AND CASH EQUIVALENTS AT 31 JULY			
		1,324,364	1,122,168

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

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 activities 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 2026. 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 2024

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 2024. 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 Group 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. Consultancy income is recognised at the time the work is carried out.

Revenue from the contract with the Education Endowment Fund and Stronger Practice Hubs in Partnership with Emotion Coaching UK is recognised in line with delivery against specific contract milestones. Where milestone delivery is uncertain, revenue is recognised in line with costs incurred.

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 2024

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 note 19 of 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 note 19 of 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 Charitable Company's financial statements, 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 2024

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' Pension Scheme (TPS), 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 TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Group operates a defined contribution 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.

THE NORLAND FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES (continued)

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.

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 DONATIONS

	2024 £	2023 £
Donations received	11,362	1,200

In the current year, donations received of £1,362 (2023: £1,200) is unrestricted and £10,000 (2023: £nil) is restricted.

4 INVESTMENT INCOME

	2024 £	2023 £
Investment income	70,152	58,529
Bank interest received	25,088	13,454
	95,240	71,983

In the current year, investment income of £10,746 (2023: £9,680) is restricted.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

5 CHARITABLE ACTIVITIES EXPENDITURE

	Direct Costs £	Support Costs (see note 6) £	2024 Total £	2023 Total £
Charitable activities	-	31,864	31,864	30,905

In the current year, £1,563 (2023: £525) of expenditure from charitable activities relating to investment management charges was restricted.

6 SUPPORT COSTS

	2024 £	2023 £
Support		
Insurance	2,033	2,033
Investment management fees	14,575	12,867
Governance		
Bank charges	11	10
Audit fees	7,560	6,774
Accountancy fees	5,280	5,550
Tax compliance fees	2,100	3,420
Statutory compliance fees	13	13
Trustees' expenses	292	238
	31,864	30,905

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.

7 STAFF COSTS

	2024 £	2023 £
Wages and salaries	2,887,449	2,770,468
Social security costs	302,126	300,994
Pension costs	333,332	270,436
	3,522,907	3,341,898

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

7 STAFF COSTS (continued)

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

	2024 No	2023 No
Senior management	7	7
Academic staff	46	49
Support staff	22	22
Agency staff	9	6
Research, consultancy & training	1	1
	<hr/>	<hr/>
	85	85
	<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:

	2024 No	2023 No
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<hr/>	<hr/>

Retirement benefits of £96,446 (2023: £69,439) are accruing to six (2023: seven) of these members of staff.

Key management personnel received aggregate remuneration including employer pension contributions of £726,531 (2023: £719,509).

8 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 £292 (2023: £238) were paid for travel expenses, to three Trustees (2023: three).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

9 NET MOVEMENT IN FUNDS

Net movement in funds are stated after charging:

	2024	2023
	£	£
Auditor's remuneration:		
- Statutory audit of the parent and group	7,800	7,445
- Statutory audit of the subsidiary	21,885	18,830
- Other non-audit services	9,995	9,715
- Taxation compliance services	5,260	4,960
Amortisation	12,110	8,562
Depreciation	250,813	246,821
Operating lease rentals	102,558	90,039
	<hr/> <hr/>	<hr/> <hr/>

10 TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2024 or the year ended 31 July 2023.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

11 INTANGIBLE FIXED ASSETS

Group

	Software and licences £
Cost	
At 1 August 2023	114,370
Additions – separately acquired	10,031
	<hr/>
At 31 July 2024	124,401
	<hr/>
Amortisation	
At 1 August 2023	31,759
Amortisation charged in the year	12,110
	<hr/>
At 31 July 2024	43,869
	<hr/>
Net book value 31 July 2024	80,532
	<hr/>
Net book value 31 July 2023	82,611
	<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 2024

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2023	1,043,582	3,665,768	164,573	260,402	5,134,325
Additions	-	-	-	54,595	54,595
At 31 July 2024	1,043,582	3,665,768	164,573	314,997	5,188,920
Depreciation					
At 1 August 2023	133,826	644,155	163,455	164,721	1,106,157
Depreciation charged in the year	33,260	161,035	506	56,012	250,813
At 31 July 2024	167,086	805,190	163,961	220,733	1,356,970
Net book value 31 July 2024	876,496	2,860,578	612	94,264	3,831,950
Net book value 31 July 2023	909,756	3,021,613	1,118	95,681	4,028,168

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 2024

13 FIXED ASSET INVESTMENTS
Group

	2024 £	2023 £
Listed investments	2,963,555	2,668,832
Movements in fixed asset investments		Listed investments £
Valuation		
At 1 August 2023		2,668,832
Additions		159,121
Valuation changes		135,602
At 31 July 2024		2,963,555
Carrying amount		
At 31 July 2024		2,963,555
At 31 July 2023		2,668,832
Charitable Company		
	2024 £	2023 £
Listed investments	2,963,555	2,668,832
Investments in group undertakings	51	51
	2,963,606	2,668,883
Movements in fixed asset investments		Shares in group undertaking £
Cost or valuation		
At 1 August 2023	2,668,832	51
Additions	159,121	-
Valuation changes	135,602	-
At 31 July 2024	2,963,555	51
Carrying amount		
At 31 July 2024	2,963,555	51
At 31 July 2023	2,668,832	51

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 2024

13 FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

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:

	2024			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	5,658,543	(5,577,323)	81,220	4,831,896
	2023			
	Income for the year £	Expenditure for the year £	Profit for the year £	Capital and reserves £
Norland College Limited	5,877,396	(5,642,747)	234,649	4,999,087

14 STOCKS

	Group		Charitable Company	
	2024 £	2023 £	2024 £	2023 £
Stock of supplies and finished goods	8,237	8,643	-	-

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

15 DEBTORS

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	63,486	393,210	-	-
Other debtors	11,943	5,440	1,000	1,600
Prepayments and accrued income	294,155	225,434	-	-
	<u>369,584</u>	<u>624,084</u>	<u>1,000</u>	<u>1,600</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	169,390	135,951	-	-
Taxation and social security costs	122,963	137,465	-	-
Amounts owed to group undertakings	-	-	86,025	1,013
Other creditors	11,291	14,958	-	-
Accruals and deferred income	329,795	476,635	18,717	17,691
	<u>633,439</u>	<u>765,009</u>	<u>104,742</u>	<u>18,704</u>

17 DEFERRED INCOME

	Group		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Deferred income is included within:				
Creditors due within one year	126,937	43,000	-	-
Deferred income at 1 August	43,000	600	-	-
Released from previous years	(43,000)	(600)	-	-
Resources deferred in the year	126,937	43,000	-	-
Deferred income at 31 July	<u>126,937</u>	<u>43,000</u>	<u>-</u>	<u>-</u>

Deferred income of £126,937 in the current year relates to a commercial contract with Emotion Coaching UK. The deferred income in the 2023 relates to a commercial contract with the Early Childhood Authority in Abu Dhabi.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

18 FINANCIAL INSTRUMENTS	2024 £	2023 £
Carrying amount of financial assets		
Equity instruments measured at fair value	2,963,555	2,668,832

19 FUNDS Group	At 1 August 2023 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2024 £
RESTRICTED FUNDS					
Benevolent fund	329,366	20,746	(12,313)	17,260	355,059
UNRESTRICTED FUNDS					
General fund	5,350,131	5,638,888	(5,607,637)	118,342	5,499,724
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	7,769,497	5,659,634	(5,619,950)	135,602	7,944,783

Charitable Company

	At 1 August 2023 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2024 £
RESTRICTED FUNDS					
Benevolent fund	329,366	20,746	(12,313)	17,260	355,059
UNRESTRICTED FUNDS					
General fund	351,095	309,179	(110,739)	118,342	667,877
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	2,770,461	329,925	(123,052)	135,602	3,112,936

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

19 FUNDS (continued)

Group	At 1 August 2022 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2023 £
RESTRICTED FUNDS					
Benevolent fund	335,414	9,680	(207,184)	191,456	329,366
UNRESTRICTED FUNDS					
General fund	5,450,310	5,860,155	(5,698,144)	(262,190)	5,350,131
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	7,875,724	5,869,835	(5,905,328)	(70,734)	7,769,497

Charitable Company

	At 1 August 2022 £	Income £	Expenditure £	Transfers and other gains/(losses) £	At 31 July 2023 £
RESTRICTED FUNDS					
Benevolent fund	335,414	9,680	(207,184)	191,456	329,366
UNRESTRICTED FUNDS					
General fund	380,320	330,651	(159,876)	(200,000)	351,095
Designated funds	2,090,000	-	-	-	2,090,000
TOTAL FUNDS	2,805,734	340,331	(367,060)	(8,544)	2,770,461

Designated funds

Funds of £1,500,000 (2023: £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 (2023: £590,000) is designated in respect of the anticipated cost of replacing buildings.

Benevolent fund

In 2022, The Norland Institute Benevolent Fund (registered charity number 208818) was dissolved and its assets were 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.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2024 Group

	Restricted funds £	General fund £	Designated funds £	Total funds £
Intangible assets	-	80,532	-	80,532
Tangible assets	-	3,831,950	-	3,831,950
Investments	319,834	553,721	2,090,000	2,963,555
Net current assets	35,225	1,033,521	-	1,068,746
TOTAL NET ASSETS				
At 31 July 2024	355,059	5,499,724	2,090,000	7,944,783

2024 Charitable Company

	Restricted funds £	General fund £	Designated funds £	Total funds £
Investments	319,834	553,772	2,090,000	2,963,606
Net current assets	35,225	114,105	-	149,330
TOTAL NET ASSETS				
At 31 July 2024	355,059	667,877	2,090,000	3,112,936

2023 Group

	Restricted funds £	General fund £	Designated funds £	Total funds £
Intangible assets	-	82,611	-	82,611
Tangible assets	-	4,028,168	-	4,028,168
Investments	302,575	276,257	2,090,000	2,668,832
Net current assets	26,791	963,095	-	989,886
TOTAL NET ASSETS				
At 31 July 2023	329,366	5,350,131	2,090,000	7,769,497

2023 Charitable Company

	Restricted funds £	General fund £	Designated funds £	Total funds £
Investments	302,575	276,308	2,090,000	2,668,883
Net current assets	26,791	74,787	-	101,578
TOTAL NET ASSETS				
At 31 July 2023	329,366	351,095	2,090,000	2,770,461

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

21 CONTROL

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

22 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.

23 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	2024 £	2023 £
Operating leases which expire:		
Within one year	101,435	88,897
Between two and five years	354,639	333,168
Over 5 years	1,912,098	1,830,380
	<hr/>	<hr/>
	2,368,172	2,252,445
	<hr/>	<hr/>

Charitable Company

The Charitable Company has no financial commitments.

24 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	2024 £	2023 £
Teachers' pension scheme contributions paid	222,877	191,131
Norland stakeholder pension scheme contributions paid	110,455	79,305
	<hr/>	<hr/>
Total pension contributions paid in the year	333,332	270,436
	<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 2020.

At the year end contributions of £42,795 (2023: £38,436) were outstanding and included in creditors.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

24 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 2020.

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £222,877 (2023: £191,131).

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

25 NOTES TO THE STATEMENT OF CASH FLOWS

Cash generated from operations	2024 £	2023 £
Net surplus/(deficit)	175,286	(106,227)
Adjustments for:		
Investment income	(95,240)	(71,983)
Amortisation of intangible assets	12,110	8,562
Depreciation of tangible fixed assets	250,813	246,821
Net (gains)/losses on investments	(135,602)	70,734
Movements in working capital:		
Decrease/(increase) in stock	406	(1,305)
Decrease/(increase) in debtors	254,498	(437,547)
(Decrease)/increase in creditors	(131,568)	213,606
Net cash inflow/(outflow) from operating activities	330,703	(77,339)

26 ANALYSIS OF CHANGES IN NET FUNDS

	1 August 2023 £	Cash flows £	31 July 2024 £
Cash at bank and in hand	1,122,168	202,196	1,324,364

27 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 (2023: £800). At the Balance Sheet date £Nil was outstanding (2023: £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 £18,638 (2023: £97,057) during the year. At the balance sheet date, the amount outstanding was £nil (2023 £4,894). The Board of Directors are satisfied as to the probity of the relationship.

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.

Dr Janet Rose (Principal) is a director of Emotion Coaching UK. During the year ended 31 July 2024, Norland entered into a partnership with Emotion Coaching UK, in order to deliver Emotion Coaching training (evidence-based co-regulation strategy for children) to numerous early years settings across the UK.

THE NORLAND FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2024

27 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

During the year ended 31 July 2024, grant funding totaling £204,830 (2023: £nil) was received from the Stronger Practice Hubs in relation to the project. Of this, £77,893 was recognised during the period in line with project delivery, with £126,937 carried forward as deferred income to match delivery at a future date. £75,252 was paid to Emotion Coaching UK as delivery partner. The Board of Directors are satisfied as to the probity of the relationship.

The intergroup transactions and year end balances were:

	2024 £	2023 £
Transactions in the year		
Distribution under gift aid from Norland College Limited to The Norland Foundation	248,411	280,600
Research Project funding awarded to Norland College Limited from The Norland Foundation	60,317	48,746
Shared resource charge made by Norland College Limited to The Norland Foundation	20,121	18,560
	<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	86,025	1,013
	<hr/>	<hr/>



Paper No:	
Agenda Item:	
Committee/BOARD:	Norland Foundation Board of Trustees
Date of Meeting:	9 December 2024
Date Distributed:	
Paper Title:	RSM Audit Findings Report for the year ended 31.7.24 (Group)
Prepared By:	Emma Burns
Version No:	V0.1/EB/1.12.24

Purpose of this paper:

This Audit Findings Report summarises Norland's external auditor's key findings in connection with the audit of the Group (Foundation & College) in respect of the year ended 31 July 2024.

Context:

External audit gives an independent opinion on the Financial Statements, and adds credibility as to their accuracy and content.

Recommendation:

The report should be reviewed and discussed.

Risk:

During the audit and accounts preparation, RSM will report their findings including significant issues and adjustments made to the accounts.

If any such issues were left unaddressed, they could create a weakness in College accounting controls, reporting processes and content.

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Audit findings report

Issued to:

The Norland Foundation

Year ended 31 July 2024

20 November 2024



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Executive summary

Status and overview of the audit

Our audit progressed as planned. The work is now complete.

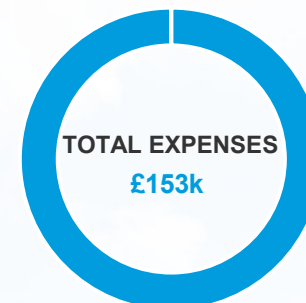
Final materiality

Materiality has not materially changed since we presented our audit plan.

Unadjusted misstatements

No unadjusted misstatements have been identified through the course of our audit testing. Any adjustments noted have been reflected in the recent drafts of the financial statements by management.

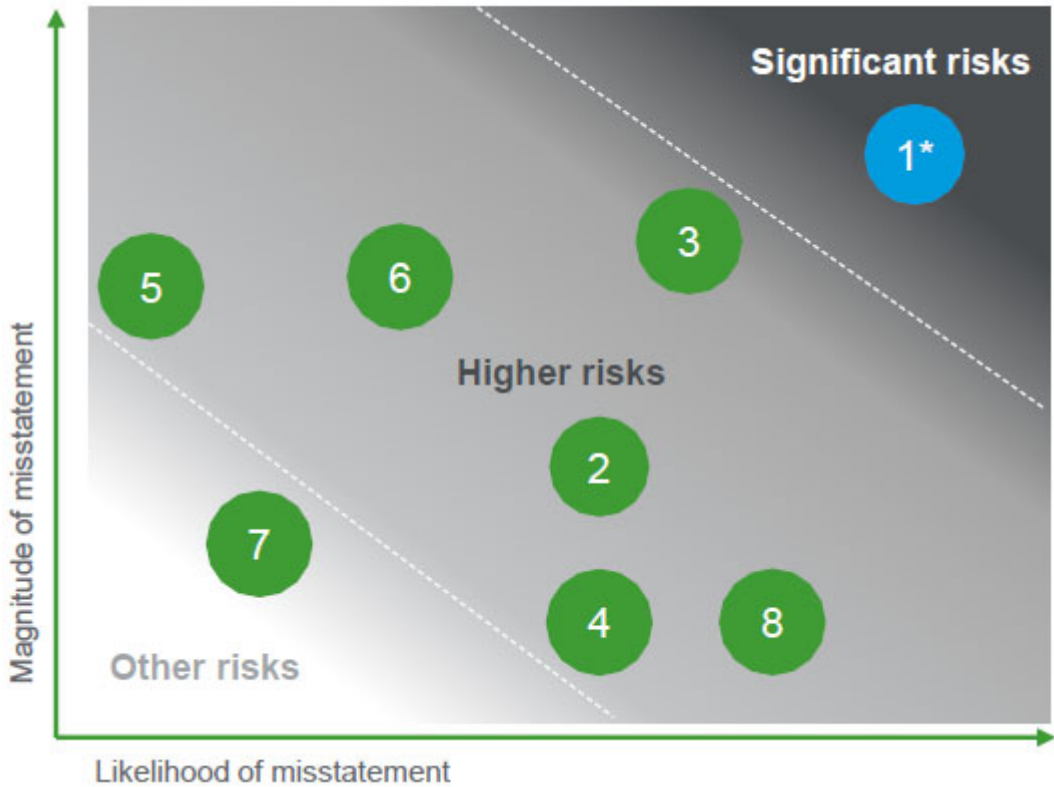
Unadjusted audit misstatements



Key audit risk findings

(See Appendix for risk description and planned work)

We have set out below details of those areas that we considered to be the key audit risks arising when we presented our audit plan. There have been no changes to the risks identified.



Audit risks summary

Risk item	Risk identified	Change in risk
1	Management override of controls	►
2	Abu Dhabi contract	▼
3	Revenue recognition	►
4	Related party transactions	►
5	Going concern	►
6	Fund accounting	►
7	Accruals	▼
8	EEF Grant	▲

Audit risks

Risk	Findings
Management override of controls – Significant risk	<p>We have reviewed general ledger entries on a sample basis using our Alteryx data analytics software. We have found no evidence of unusual or inappropriate entries. The ledger entries reviewed appeared to represent bona-fide business transactions.</p> <p>In the course of our testing, we noted two journal transactions which did not balance. The reason for this was investigated with the help of our data analytics experts and confirmed the difference was trivial at only £2 (£1 for each transaction). To try to understand how this could have occurred we observed a member of the finance team attempting to post an unbalanced journal and confirmed it was not possible through normal access. We also noted that, consistent with a finding last year, there are different lines of the same transaction with different transaction IDs. As a result of our follow up work, we are satisfied there is no impact on the ledger other than the above £2 difference. We understand from discussions with management that inquiries they have made with Sage, who are unsure as to how this could occur, which gives comfort there are no significant errors in the system itself. We recommend management maintain awareness of the issue when reviewing financial statements as part of normal month end processing.</p> <p>We performed specific testing over user IDs within the system to understand who is posting certain journals to the ledger and confirmed these to be in line with our expectations and understanding.</p> <p>We have reviewed key judgments and estimates. Further commentary can be found on these below. No significant transactions have been noted outside the ordinary course of business for the group.</p> <p>A control recommendation has been made further down in this report in respect of the financial management of The Norland Foundation, which we recommend should be through an accounting software package to minimise the risk of miss-postings.</p>
Abu Dhabi contract – Higher risk	<p>We updated our review of the Abu Dhabi (ECA) contract and confirmed no specific changes to terms in the agreement. We noted that whilst the contract itself extends to August 2025, the second phase of the contract was effectively cut short due to cost saving measures by the ECA, and so only extended in practise to September 2023.</p> <p>As such, all invoiced income to date has been recognised by Norland and we concur with this treatment, which is in compliance with FRS102 and delivery terms on the contract itself. We observed correspondence which confirmed ECA's agreement with this.</p> <p>No concerns or issues were raised as a result of our testing.</p>
Revenue recognition – Higher risk	<p>We performed substantive analytical review by performing a proof in total over fee income taking the number of pupils and the termly fees and agreed a sample back to supporting documentation to confirm the accuracy and completeness of the reports used. No material differences were noted between the recalculation and the reported income.</p> <p>We have also reviewed and performed substantive testing over all other income streams. No material issues were noted with the sample tested and all were recognised in the group in accordance with the SORP recognition criteria.</p>

Audit risks (continued)

Risk	Findings
Related party transactions – Higher risk	<p>We have confirmed that the financial statements include the expected disclosures needed as per Charities SORP.</p> <p>We have reviewed the disclosures made and not noted any material misstatements regarding the completeness or accuracy of these.</p>
Going concern – Higher risk	<p>Management have made an assessment of the going concern basis for Norland College and The Norland Foundation as a group, through preparing profit & loss budgets and cashflows under 3 different scenarios. We have performed detailed testing on the three scenarios including performing a detailed review of the cashflows expected for the period to July 2026. Management have conducted sensitivity analysis on the budgets and cashflows prepared, by looking at their best, worse and worst-case scenarios, flexed for movements in key assumptions such as student numbers, inflation, and cost savings. We have reviewed these key assumptions and challenged management on some of the key movements from audited results for the 2024 financial year. No significant doubt is raised over the going concern assumption, which is ultimately based on a sustainable model of consistent student numbers and a carefully controlled cost base, which maintains positive cash flow with upside from additional consultancy projects.</p> <p>Following a review of these documents we concluded that there is no material uncertainty over these matters and our audit opinion has not been modified in respect of this. We have reviewed the disclosures within the Trustees Report and Strategic Report and confirmed that adequate disclosures have been made.</p>
Fund accounting – Higher risk	<p>We have confirmed that the accounting and disclosure of the funds of the group are in line with their nature. We noted one donation which had been miss-classified as unrestricted when in fact restrictions were made by the donor. This has been adjusted by management in the financial statements, and a control recommendation made further down in our report.</p>
EEF grant – Higher risk	<p>We obtained and reviewed a copy of the agreement between EEF and Norland College, and the Memorandum of Understanding (MOU) between Norland College and ECUK. We discussed the terms of the contract with management to ensure we fully understand the application of them in income recognition for the Norland accounts. The contract is on a milestone basis however the total value of the contract is not allocated exactly against milestone terms; which limits a milestone-based approach to recognition; and in practise only costs incurred will be repaid by the funders, EEF. As such, management have taken a cost recovery approach to the recognition of income which we consider to be appropriate and in line with FRS102 guidance. We recommend that going forwards as costs become more material, Norland, together with ECUK, undertake an exercise to map the costs per the 'master tracker' budget against milestone terms in the contract, which will allow management to more easily demonstrate how income recognised relates to each milestone. This will also ensure that any over- or under-spend can be flagged to the funders at the earliest opportunity, and appropriate adjustments to the accounts made in a timely way.</p> <p>As the majority of income received by Norland is passed directly to ECUK, in their position as delivery partner, the net income for Norland is trivial in value and recognised based on time spent to date. We undertook an exercise to ensure appropriate recognition of this income under the FRS102 principal vs. agent criteria to confirm whether the full grossed up income and costs should be recognised in Norland's P+L, or just the portion retained by the College. We concluded that in this scenario Norland College is the 'principal' and therefore confirmed the treatment applied by management to show the total gross balances is correct.</p> <p>We corroborated balances to supporting documentation such as funder invoices and correspondence between the different parties. No issues or concerns were noted.</p> <p>We recommended management update the turnover accounting policy disclosed in the financial statements to reflect this new contract.</p>

Qualitative aspects of accounting

Management judgements and accounting estimates

The following areas are considered to be the principal management judgements and estimates. The graphic below visually represents the impact (lower or higher) on the financial statements of a change in management's estimate. In overview, a reasonably possible change in estimate that has a low impact means that such a change will have limited impact on the financial statements.

Areas of judgement / estimate	Low impact	High impact
Provision for bad debts	■	
Accruals	■	
Useful economic lives of fixed assets		■
Recognition of income on grants and contracts	■	



Recommendations on controls

We have set out below recommendations on internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all internal control matters or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

Control observation	Recommendations and response
Agency income reconciliation We have noted that there is no formal reconciliation between SAGE and the Agency/NQN Income spreadsheets. We have been provided with an example post year end that shows this is possible, but it doesn't appear this is formally a part of termly or annual processing. There is a risk over the completeness and accuracy of the ledger as a result.	Recommendations We understand management had identified this as an appropriate control and have implemented this process post year end. Therefore we recommend this reconciliation continues to be regularly performed and reviewed by the finance team. Management response This had already been identified by the Finance team and a new monthly procedure has been implemented.
Journals imbalance and Foundation records We noted in our testing of journals for Norland College that there are two transactions which don't balance. This presents a risk over errors or fraud in the ledger. All accounting records for The Norland Foundation are maintained in excel, rather than a formalised accounting programme. There is an increased opportunity for error as a result.	Recommendations We recommended management contact the Sage support team to understand how these journals are created and ensure there is no risk of unbalanced postings being made. Following further discussions with management we understand conversations with Sage have confirmed it is not possible to post unbalanced journals, however the risk should be considered by management in their normal financial review procedures. We also recommend management formalise the accounting process for Foundation, by implementing a software package such as Sage for this entity as well as College. Management response The issue of the immaterial unbalanced journal will be escalated with Sage. Management to review and consider moving the Foundation records onto an accounting package.

Control recommendation



Assessment key

Significant control recommendation*

Other control recommendation

Agency income reconciliation

Journals imbalance and Foundation records

** = these represent a risk of material misstatement to the financial results*

Recommendations on controls (continued)

Control observation	Recommendations and response
PO ageing We have noted that Planergy has some outstanding POs from more than 9 months ago. This could indicate costs in the ledger are understated, with POs not being posted as PIs into the system.	Recommendations Whilst no error was noted from our review of the list of outstanding POs, we would recommend management regularly check and clear down the system to ensure there are no ageing POs which may need to be posted. Management response Noted - Finance team to implement a new procedure.
Fund classifications We noted in the course of our testing that one donation was miss-classified in the ledgers as unrestricted income, when in fact restrictions were in place. Whilst this item has been adjusted in the financial statements, and no other errors were noted, there is a risk that funds are misstated and donor balances mis-treated as a result of improper classification.	Recommendations We recommend careful consideration is given to restrictions made by donors on donations received. This should be subject to segregated review by a senior member of the finance team. Management response Noted – Finance team to implement a new procedure.

Control recommendation



**Assessment
key**

**Significant control
recommendation***

Other control recommendation

PO ageing

Fund classifications

** = these represent a risk of material misstatement to the financial results*

Recommendations on controls (continued)

Control observation	Recommendations and response
<p>Staff expense approvals</p> <p>In the course of our testing on expect claims, we noted that the FD and delegated manager could approve their own expense claims. This presents the risk that inappropriate claims are made and paid by the College or ultimately the Charity.</p>	<p>Recommendations</p> <p>We recommend that a strict process of approval is implemented for all expense claims, regardless of staff member. Alternatively, if this type of preventative control is not appropriate, a detective control to review claims on an ad-hoc basis by an independent party (potentially a trustee) should be put in place.</p> <p>Management response</p> <p>Noted – Finance team to adjust procedures.</p>

Control recommendation



Staff expense approvals

** = these represent a risk of material misstatement to the financial results*

Appendix

Summary of unadjusted misstatements

No unadjusted misstatements were identified during the course of our work.

Financial statement disclosures

During the course of our audit, we reviewed the adequacy of the disclosures contained within the financial statements and their compliance with both relevant accounting standards and the requirements of the Companies Act 2006, Charities Act 2011, and the Charities SORP.

The following disclosure matters were brought to your attention and subsequently adjusted / not adjusted in the revised financial statements.

Unadjusted disclosures	Adjusted disclosures
	Reclassification of £10k donation balance to restricted fund.
	Disclosure of Principal and Vice-Principal overtime payment in the year in respect of the Abu Dhabi consultancy work.
	Update to narrative disclosure of the impact of the ECA contract in the year, within the Trustees' report.
	Updates to KPI figures where required in Norland College Strategic Report.
	Additional sentence added in the turnover accounting policy in Norland College accounts for the new EEF grant.
	Clarification in the employees note in Norland College for the reason for change in employee numbers.

Other matters to be reported

Representations requested

In addition to those representation which we request on all audit assignments (<http://www.rsmuk.com/standard-representations>) we will be seeking specific representations from the Board on the following matters:

No specific representations expected

Independence

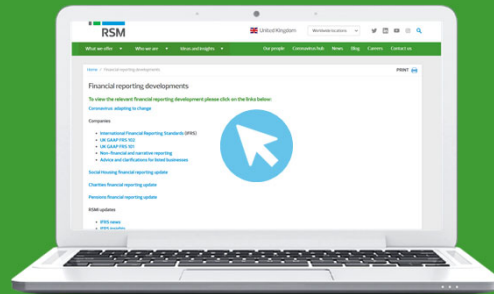
In accordance with the International Standard on Auditing (UK) 260 “communication with those charged with governance”, there are no changes to the details of relationships between RSM UK Audit LLP including its related entities and persons in a position to influence the conduct or outcome of the audit and Norland and its connected parties that may reasonably be thought to bear on our independence, integrity and objectivity and the related safeguards from those disclosed in the audit plan.

Financial reporting updates

Financial reporting updates

A full list of financial reporting updates can be found by clicking the link below:

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Audit risk summary
taken from the audit plan

Audit risk summary

Risk	Description	Response
Management override of internal controls	This is a default fraud risk under the Auditing Standards, reflecting the fact that management potentially have the ability to override the controls in place within the company.	<p>We shall review the controls around the inception and approval of journal entries and test a risk-based sample of journal entries using data analytics software to ensure that these represent expected business transactions.</p> <p>We shall consider the key judgements and estimates made by management in the preparation of the financial statements.</p> <p>We shall review the nature and justification for any significant or unusual business transactions.</p>
Abu Dhabi contract	<p>Last year, this contract was a significant new revenue stream for the College. The contract between the College and the Abu Dhabi Early Childhood Authority is still in place for the 2023-2024 financial year.</p> <p>The revenue recognition on this contract was audited in the prior year and no significant areas of concern were noted. This year, the financial impact of the contract is expected to be lower than last year, and therefore our risk assessment has also reduced from 'significant' to 'higher' as shown on page 7.</p>	<p>We will review the terms of the contract and understand any changes in terms or application from the prior year.</p> <p>We will compare the recognition to FRS 102 and the Charities SORP criteria to ensure it is compliant.</p> <p>We will corroborate invoiced and receipted revenue to provide comfort over the recoverability of these amounts.</p> <p>We will review the disclosure required in the financial statements to ensure it gives a true and fair view subject to commercial limitations.</p>
Revenue recognition	<p>For Norland College Limited we need to confirm that fee income has been recognised correctly, along with ensuring that other sources of income have been recognised in the correct period.</p> <p>Income recognition policies for the group need to be implemented in accordance with the 3 recognition criteria of entitlement, probability and measurement included within the Charity SORP.</p> <p>The group could also be in receipt other sources of income including donations and legacies. This income also needs to be accounted for in accordance with the SORP criteria.</p>	<p>We will review the pupil fee reconciliation to ensure that income has been appropriately recognised. We shall perform detailed substantive testing over other sources of income in Norland College.</p> <p>Consideration shall be given to the accounting policies adopted, specifically the 3 recognition criteria of entitlement, probability and measurement in respect of other sources of income for the group.</p>
Related party transactions	<p>Under Charities SORP there are a number of disclosure requirements in respect of related party transactions.</p> <p>This includes disclosure of:</p> <ul style="list-style-type: none"> • Remuneration received by Trustees; • Expenses reimbursed to Trustees; and • Transactions and year end balances with entities within the group 	<p>We will review the disclosures made in the financial statements ensuring that these are complete and accurate, including in respect of any new transaction types this year.</p> <p>We are aware that significant transactions with Emotion Coaching will need to be disclosed (see EEF grant below).</p>

Audit risk summary (continued)

Risk	Description	Response
Going concern	<p>Major events, such as the current economic situation and geo-political issues in Ukraine and Israel represent sources uncertainty which may expose entities to new opportunities and/or risks, or change the scale and likelihood of existing ones, that affect their business model and strategies. Particularly for Norland College and the group, such economic uncertainty stems from the ability to attract and retain sufficient student numbers.</p> <p>Guidance, released by the FRC, which may be helpful in management forming their assessment, can be found here.</p> <p>In addition, the implementation of ISA 570 (UK) Revised Going Concern resulted in enhanced risk assessment and greater challenge and work effort to be performed by us, when evaluating management's assessment in relation to going concern. Further details of the changes to the standard can be found here.</p>	<p>As part of our audit we will consider:</p> <ul style="list-style-type: none"> • Management's analysis of the potential impact of current geo-political and economic issues on the entity's business model and strategies e.g. revenues, costs etc. • The forward-looking assumptions used by management in their assessments relating to asset impairment reviews, going concern, taxation liabilities, etc. • Management's sensitivity analysis to reasonably possible changes in their assumptions, including downsides. • Supporting evidence provided by management for their assumptions, and related disclosures, and challenge where necessary. • Sufficiency of related disclosures in the financial statements, depending on the degree of sensitivity to changes in assumptions and whether there is a significant risk of causing a material adjustment to the carrying amount of assets and liabilities. • Implications, if any, for our audit report.
Fund accounting	<p>Under Charity accounting an entity can have any number of different funds – unrestricted, designated, restricted and endowment. The consolidation of Norland College Limited into The Norland Foundation charity financial statements may result in the creation of a number of these funds depending on the purpose of the income received.</p>	<p>We will review the accounting and disclosure of the funds of the group to ensure these are in line with our understanding of the nature of these.</p> <p>We will review documentation for evidence of any restrictions and ensure that these are adequately disclosed.</p>
Accruals	<p>There were a number of accruals noted in previous periods where there was either uncertainty over the timing of the payment or the amount due to be paid. There is therefore a risk that amounts included as accruals are presented incorrectly and should be shown as provisions.</p> <p>We understand from discussions with management at the planning stage of the audit that these accruals are expected to be released prior to year-end. As such, we have down-graded this risk from 'higher' to 'other'.</p>	<p>We shall sample test accruals to ensure that they are supported by valid documentation and calculations.</p> <p>We shall review these in accordance with the requirements of FRS 102 to ensure they meet the definition of an accrual or provision.</p>
EEF Grant	<p>We understand a new grant has been provided by the Education Endowment Fund to the College in partnership with Emotion Coaching UK.</p> <p>This contract will create a new income stream for the College as well as significant consulting costs charged via the College to Emotion Coaching UK, which will require consideration of the Agent vs. Principal criteria under FRS 102 to ensure balances are appropriately recognised.</p>	<p>We will review the terms of the contract and document an understanding of the timing of income and associated costs.</p> <p>We will compare the recognition to FRS 102 and the Charities SORP criteria to ensure it is compliant in respect of revenue recognition and the Agent vs. Principal criteria.</p> <p>We will corroborate invoiced and receipted revenue and expenditure to provide comfort over the recoverability and accuracy of these amounts.</p> <p>We will review the disclosure required in the financial statements to ensure it is appropriate.</p>

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Our report is prepared solely for the confidential use of The Norland Foundation and solely for the purpose of explaining the scope and timing of the audit, and to highlight the significant risks and other audit areas that we will be focusing our audit work upon. This forms part of the ongoing communications we are required to make under the International Standard on Auditing (UK) 260 – Communication with those charged with governance.

For the avoidance of doubt, the auditor is not required to design audit procedures for the specific purpose of identifying matters of governance interest, nor does the audit relieve management or those charged with governance of their responsibilities. Throughout this document the terms partner and principal are interchangeable.

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