

**NELSON COLLEGE LONDON LTD**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**

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**Nelson College London Ltd**  
**Directors' Report and Financial Statements**  
**For The Year Ended 31 July 2016**

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**Nelson College London Ltd  
Company Information**

**For The Year Ended 31 July 2016**

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<b>Directors</b>	Mr Shirajul Islam Mr Athiqul Islam Mr Mohammed Nazim Uddin
<b>Company Number</b>	05301926
<b>Registered Office</b>	106 Olympic House Clements Road Ilford Essex IG1 1BA
<b>Accountants</b>	SKZ Consulting Ltd Chartered Certified Accountants Olympic House 28-42 Clement Road, Ilford Essex IG1 1BA
<b>Auditors</b>	Accountax Consultants UK Ltd The Basement, Goodmayes House 45-49 Goodmayes Road Ilford Essex IG3 9UF

**Nelson College London Ltd**  
**Directors' Report**  
**For The Year Ended 31 July 2016**

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The directors present their report and the financial statements for the year ended 31 July 2016.

**Principal Activity**

Nelson College London (NCL) is an independent college of higher education specialising in business and hospitality management. The College currently offers HND programmes in Business and Hospitality Management. These courses are externally accredited by Pearson/Edexcel, the awarding body.

**Review of Business**

The Board of Directors of the College is delighted to report that the College's financial performance remains strong and it is in a financially sustainable position. Our financial strength gives security to the students and enables us to continue our programme of capital investment. The demand for our courses has remained strong from UK domiciled students of a wide range of backgrounds. Colleagues in the College have worked very hard to help us to achieve our mission to widen access to higher education to people from a wide range of backgrounds, transforming lives through knowledge and skills so as to enable them to prosper in their career.

We reported last year that we had strengthened our balance sheet and diversified our income through the acquisition of two buildings. We have added new building to our asset base during the accounting year and will continue to seek opportunities to strengthen the company in the long term.

The College is subject to a student number control imposed by the Department for Business, Innovation & Skills (BIS) and we continue to be successful in recruiting the maximum number of students available to us. Currently the College has no students from outside the EEA, and has no plans to recruit non-EEA students. The College can recruit non-EEA students as it enjoys a Tier 4 Sponsor status (previously known as Highly Trusted status) granted by the UK Visa and Immigration (UKVI) and so could sponsor visa applications from non-EEA students should it wish.

	2015	2016
Home and EU Students	1,197	782
Non-EU students	0	0

The College is subject to oversight by a number of Government agencies and seeks to meet its obligations and to demonstrate to students and the community that it is aspiring to be a high quality educational provider. With these objectives in mind, the Directors changed the Articles of Association in 2013 and established a Board of Governance, supported by finance and audit committees, to oversee the operation of the College and to advise and provide assurance to the Directors on matters concerning our educational activities, financial sustainability, internal control and risk management. The Board of Governance has a non-executive majority and the members, including new members recruited during this financial year, have valuable experience in further and higher education and in business. In line with good practice as advocated for higher education institutions and non-listed companies, the College has adopted a scheme of delegation and a register of interests.

The College Principal, Professor Geoffrey Alderman, has completed a comprehensive review of our academic policies and the operation of the Academic Board, which he now chairs. The Principal manages through the Principal's Executive Group which is a forum for a regular meeting of the senior College team that focuses on both strategic and operational matters.

**Financial Results**

The College generated profit after tax of £893k (2015: £1,823k). The difference is largely attributed to the shorter accounting year during the last transitional year.

**Key financial indicators:**

The company's key financial indicators during the year were as follows:

	2016	2015
	£'000	£'000
Total Income	4,524	4,583
Profit before tax	1,174	2,291
Profit before tax as a proportion of total income	25.9%	49.9%

Note that the current year of 31 July 2016 is of twelve months as compared to seven months of the last period.

**Liquidity**

The College is in a sound position in terms of liquidity with net current assets standing at £1,082k, equivalent to 24% of income. The College can meet all the short and long term liabilities that will fall due in the foreseeable future.

**Principal Risks and Uncertainties and Financial Risk Management**

NCL has in place a risk register which is regularly reviewed by the Audit Committee and the Principal's Executive Group. Any changes to existing risks, including the impact, likelihood and mitigating actions are given full consideration and mitigating actions taken as needed. The risk register includes a system of scoring designed to assess the likelihood and impact of the risks identified. Each risk is assigned to a senior officer to 'own' and report on the risk and each is assigned to a committee for further oversight.

We have demonstrated our financial strength and our ability to recruit students and the most significant remaining potential risk concerns unforeseeable and adverse changes to the policy and regulatory environment. Our strongest mitigation against this risk is to perform to the highest expectations, thereby meeting all possible regulatory requirements, and to that end the Principal's primary objective is to continue to improve student attainment. We are subject to the decisions and actions of BIS and the Higher Education Funding Council for England which could potentially have a fundamental impact, albeit one that would take some time to crystallise. Our financial strength mitigates against this risk and enables us to be sure that we could always teach out our current cohort of students. We also continue to search for opportunities to diversify. In the coming year we hope to be able to finalise an agreement to offer degrees validated by a London university and to undertake sub-contract work in the further education sector.

**Directors**

The directors who held office during the year were as follows:

Mr Shirajul Islam

Mr Athiqul Islam

Mr Mohammed Nazim Uddin

**Political and Charitable Contributions**

During the year the company made donations to various organisations. Political and charitable donations were £2,785. The major donation of £1,000 was made to Eman Foundation. All the donations were non-political.

**Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally

**Nelson College London Ltd  
Directors' Report (continued)  
For The Year Ended 31 July 2016**

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Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Going concern**

The directors have given this matter careful consideration and, are satisfied that NCL has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

**Statement of Disclosure of Information to Auditors**

The directors of the company who held office at the date of approval of this annual report confirm that: So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Each of the directors confirm that, so far as they are aware, at the date of signing these financial statements there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


**Auditors**

The auditors, Accountax Consultants UK Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Small Company Rules**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

**On Behalf Of The Board:**

  
Mr A Islam - Director  
Date: 22 November 2016

# **Nelson College London Ltd Auditor's Report**

**For The Year Ended 31 July 2016**

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## **Independent Auditor's Report to the Members of Nelson College London Ltd**

We have audited the financial statements of Nelson College London Ltd for the year ended 31 July 2016 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective Jan 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or the opinions we have formed.

## **Respective Responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised).

## **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

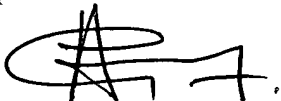
## **Opinion on Other Matter Prescribed by the Companies Act 2006**

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

## **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



**Ghafoor Ahmad (Senior Statutory Auditor)**  
**for and on behalf of Accountax Consultants UK Ltd , Statutory Auditor**

The Basement, Goodmayes House  
45-49 Goodmayes Road  
Ilford  
Essex  
IG3 9UF

Date: 22 November 2016



**Nelson College London Ltd**  
**Profit and Loss Account**

**For The Year Ended 31 July 2016**

	Notes	31 July 2016 £	Year to 31 July 2015 £
<b>TURNOVER</b>		<b>4,524,803</b>	<b>4,583,024</b>
Cost of sales		(897,269)	(759,227)
<b>GROSS PROFIT</b>		<b>3,627,534</b>	<b>3,823,797</b>
Administrative expenses		(2,692,104)	(1,644,934)
Other operating income		239,204	113,056
<b>OPERATING PROFIT</b>	<b>2</b>	<b>1,174,634</b>	<b>2,291,919</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>1,174,634</b>	<b>2,291,919</b>
Other interest receivable and similar income		1,376	292
Interest payable and similar charges		(41,060)	(21,740)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,134,950</b>	<b>2,270,471</b>
Tax on profit on ordinary activities	<b>3</b>	(241,823)	(447,290)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>10</b>	<b>893,127</b>	<b>1,823,181</b>

**Nelson College London Ltd**  
**Balance Sheet**

**As at 31 July 2016**

	Notes	31 July 2016		Year to 31 July 2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		5,874,042		4,072,765
Investments	5		155,200		155,200
			<u>6,029,242</u>		<u>4,227,965</u>
<b>CURRENT ASSETS</b>					
Debtors	6	325,334		355,401	
Cash at bank and in hand		<u>1,167,902</u>		<u>2,415,628</u>	
		1,493,236		2,771,029	
Creditors: Amounts Falling Due Within One Year	7	<u>(410,840)</u>		<u>(714,583)</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>1,082,396</u>		<u>2,056,446</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,111,638</u>		<u>6,284,411</u>
Creditors: Amounts Falling After More Than One Year	8		<u>(1,369,634)</u>		<u>(1,435,534)</u>
<b>NET ASSETS</b>			<u><u>5,742,004</u></u>		<u><u>4,848,877</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		136		136
Capital redemption reserve			14		14
Profit and Loss account			<u>5,741,854</u>		<u>4,848,727</u>
<b>SHAREHOLDERS' FUNDS</b>	10		<u><u>5,742,004</u></u>		<u><u>4,848,877</u></u>

**Nelson College London Ltd**  
**Balance Sheet (continued)**

**As at 31 July 2016**

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For the year ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2015).

On behalf of the board



Mr Athiqul Islam  
22 November 2016

**Nelson College London Ltd**  
**Statement of Cash Flow**

**For the Year Ended 31 July 2016**

		Year Ended 31 July 2016	Period Ended 31 July 2015
	Note	£	£
<b>Net Cash from operating activities</b>	<b>11</b>	<b>1,278,446</b>	<b>2,627,001</b>
<b>Taxation paid</b>		<b>(447,290)</b>	<b>(711,243)</b>
<b>Net Cash generated from operating activities</b>		<b>831,156</b>	<b>1,915,758</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(1,967,775)	(228,347)
Investments		-	(123,200)
<b>Net cash used in investing activities</b>		<b>(1,967,775)</b>	<b>(351,547)</b>
<b>Cash flow from financing activities</b>			
Interest received		1,376	292
Directors loan account		(26,401)	(512)
Bank loan and overdraft		(45,022)	(25,888)
Interest paid		(41,060)	(21,740)
<b>Net cash used in financing activities</b>		<b>(111,107)</b>	<b>(26,150)</b>
<b>Net (decrease)/ increase in cash</b>		<b>(1,247,726)</b>	<b>1,516,363</b>
Cash at bank and in hand at beginning of year		<u>2,415,628</u>	<u>899,265</u>
<b>Cash at bank and in hand at end of year</b>		<u><b>1,167,902</b></u>	<u><b>2,415,628</b></u>

**Nelson College London Ltd**  
**Notes to the Accounts**

**For The Year Ended 31 July 2016**

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**1. Accounting Policies**

**1.1. Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective Jan 2015).

**1.2. Turnover**

Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax and trade discounts.

**1.3. Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold	0% on cost
Fixtures & Fittings	25% on cost
Computer Equipment	33% on cost

**1.4. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard No.8 from the requirement to disclose related party transactions on the grounds that it is a small company.

**1.5. Investments in subsidiary undertakings**

Investments in the Company's subsidiary undertakings are stated at cost less any provision for impairment in value.

**2. Operating Profit**

The operating profit is stated after charging:

	31 July 2016	Year to 31 July 2015
	£	£
Directors' Remuneration	180,174	235,876
Audit fees	3,600	3,600
Depreciation of tangible fixed assets	<u>166,498</u>	<u>137,053</u>

**3. Tax on Profit on Ordinary Activities**

	31 July 2016	Year to 31 July 2015
	£	£
UK Corporation Tax	<u>241,823</u>	<u>447,290</u>
<b>Total Current Tax Charge</b>	<u><b>241,823</b></u>	<u><b>447,290</b></u>

**Nelson College London Ltd**  
**Notes to the Accounts (continued)**

**For The Year Ended 31 July 2016**

**4. Tangible Assets**

	<b>Land &amp; Property</b>			
	<b>Freehold</b>	<b>Fixtures &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
As at 1 August 2015	3,896,345	49,578	377,750	4,323,673
Additions	1,857,613	86,329	23,833	1,967,775
As at 31 July 2016	<u>5,753,958</u>	<u>135,907</u>	<u>401,583</u>	<u>6,291,448</u>
<b>Depreciation</b>				
As at 1 August 2015	-	35,044	215,864	250,908
Provided during the Year	-	33,977	132,521	166,498
As at 31 July 2016	<u>-</u>	<u>69,021</u>	<u>348,385</u>	<u>417,406</u>
<b>Net Book Value</b>				
As at 31 July 2016	<u>5,753,958</u>	<u>66,886</u>	<u>53,198</u>	<u>5,874,042</u>
As at 31 July 2015	<u>3,896,345</u>	<u>14,534</u>	<u>161,886</u>	<u>4,072,765</u>

**Nelson College London Ltd**  
**Notes to the Accounts (continued)**

**For The Year Ended 31 July 2016**

**5. Investments**

	Unlisted £
<b>Cost</b>	
As at 1 August 2015	155,200
Additions	-
As at 31 July 2016	<u>155,200</u>
<b>Provision</b>	
As at 1 August 2015	-
As at 31 July 2016	<u>-</u>
<b>Net Book Value</b>	
As at 31 July 2016	<u>155,200</u>
As at 31 July 2015	<u>155,200</u>

Investments in group undertakings are stated at cost. As permitted by section 615 of the Companies Act 2006, where the relief afforded under section 612 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

Details of the Company's subsidiary at 31 July 2016 are as follows:

Name	Principal activity	Place of registration and operation	Proportion of ownership and interest (%)
Nelson London Ventures Limited	Travel & Tours	London	80

**6. Debtors**

	31 July 2016 £	Year to 31 July 2015 £
<b>Due within one year</b>		
Trade debtors	151,812	186,261
Prepayments and accrued income	105,228	96,352
Other debtors	63,494	52,684
Other taxes and social security	-	2,304
	<u>320,534</u>	<u>337,601</u>
<b>Due after more than one year</b>		
Other debtors	4,800	17,800
	<u>325,334</u>	<u>355,401</u>

**Nelson College London Ltd**  
**Notes to the Accounts (continued)**

**For The Year Ended 31 July 2016**

**7. Creditors: Amounts Falling Due Within One Year**

	31 July 2016	Year to 31 July 2015
	£	£
Trade creditors	44,198	95,460
Bank loans and overdrafts	81,956	61,078
Corporation tax	241,823	447,290
Accruals and deferred income	42,863	84,354
Directors loan accounts	-	26,401
	<u>410,840</u>	<u>714,583</u>

**8. Creditors: Amounts Falling After More Than One Year**

	31 July 2016	Year to 31 July 2015
	£	£
Bank loans	<u>1,369,634</u>	<u>1,435,534</u>

Bank loan is secured against first legal charge over commercial freehold property know as Commercial house, 406-410, Eastern Avenue, Ilford and an unlimited debentures incorporating the fixed and floating charge.

**9. Share Capital**

	Value	Number	31 July 2016	Year to 31 July 2015
	£		£	£
<b>Allotted, called up and fully paid:</b>				
Ordinary A shares	1.000	86	86	86
Ordinary B shares	1.000	50	50	50
		<u>136</u>	<u>136</u>	<u>136</u>



**Nelson College London Ltd**  
**Notes to the Accounts (continued)**

**For The Year Ended 31 July 2016**

**10. Reconciliation of Reserves**

	Share Capital £	Capital Redemption £	Profit & Loss Account £
As at 1 August 2015	136	14	4,848,727
Profit for Year	-	-	893,127
As at 31 July 2016	<u>136</u>	<u>14</u>	<u>5,741,854</u>

**11. Notes to the statement of cash flows**

	31 July 2016 £	Year to 31 July 2015 £
Profit for the financial year	893,127	1,823,181
Tax on profit on ordinary activities	241,823	447,290
Other interest receivable and similar income	(1,376)	(292)
Interest payable and similar charges	41,060	21,740
Operating profit	1,174,634	2,291,919
Depreciation	166,498	137,053
Working capital movements		
Decrease in debtors	30,067	101,945
(Decrease) /increase in creditors	(92,753)	96,084
	<u>1,278,446</u>	<u>2,627,001</u>

**12. Consolidated group accounts**

The company has claimed exemption from preparing group accounts due to its small size.