

NELSON COLLEGE LONDON LTD

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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Nelson College London Ltd
Directors' Report and Financial Statements

For The Year Ended 31 December 2014

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**Nelson College London Ltd
Company Information**

For The Year Ended 31 December 2014

Directors

Mr Shirajul Islam
Mr Athiqul Islam

Company Number

05301926

Registered Office

106 Olympic House
Clements Road
Ilford
Essex
IG1 1BA

Accountants



SKZ Consulting Ltd
Chartered Certified Accountants
43 Suffolk Road
Barking
London
IG11 7PQ

Auditors

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 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 programmes are externally accredited by Pearson BTEC, 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 invest in the student experience as we are doing with our new building that we will occupy fully in 2015. The demand for our courses had been strong from students from the UK domiciled students of wide range of backgrounds. The Colleagues 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 to enable them to prosper in their career.

In the back drop of regulatory changes in independent higher education landscape, the College has successfully strengthen its balance sheet by acquiring two freehold buildings in East London with a book value of over £3.6 million. This would allow the College to reduce its committed costs and will help the college to be financially adaptable and to make the College better prepare to meet these challenges.

Because of the introduction of student number control from academic year 2013/14, the number of Home and EU students has gone down. 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 Highly Trusted Status granted by the UK Visa and Immigration (UKVI) and so could sponsor visa applications from non-EEA students should it wish.

	2013	2014
Home and EU Students	1,453	1,167
Non-EU students	2	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 new members have valuable experience in further and higher education and in business. Although not legally a higher education institution, the College has undertaken an initial evaluation of its governance against the Code of the Committee of University Chairs and will continue to use this as the benchmark of its progress in establishing good governance.

The College appointed a new Principal during the year, Professor Geoffrey Alderman, who is a well-known senior figure in higher education and he has made considerable progress in developing our academic infrastructure. The Principal manages through the Principal's Executive Group which is 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 £2,600k (2013: £784k). The significant increase is mainly due to the growth in Home and EU Students and an improvement in operating efficiency. Our success will enable us to invest in the student experience.

Key financial indicators:

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

	2013	2014
	£'000	£'000
Total Income	3,564	6,536
Profit before tax	1,004	3,320
Profit before tax as a proportion of total income	28.2%	50.8%

As above the increase in the profit before tax as a proportion of total income is largely the result of continued growth in Home and EU students.

Liquidity

The college has adequate liquidity to cover its commitments. The net current asset has gone down mainly because of the purchases of two buildings for the college. As a result Net assets have gone up from £696,695 to 3,025,697. This has made the college financial adaptable as it can easily borrow funds externally should there be unlikely need for liquidity 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 taken. 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.

In terms of the probability of occurrence our biggest risks are to do with the estate, data and student retention. The estate will benefit when we have relocated to Gant's Hill in 2015; the accuracy of data will be a high priority for our new internal auditors on appointment in 2015; and student retention are the Principal's highest operational priority.

Directors

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

Mr Shirajul Islam

Mr Athiqul Islam

Mr M N Uddin was appointed as a director after 31 December 2014 but prior to the date of this report.

Political and Charitable Contributions

During the year the company made donations to various organisations. Political and charitable donations were £4,955. The major donation of £2000 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 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 period. 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.

Nelson College London Ltd
Directors' Report (continued)
For The Year Ended 31 December 2014

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.

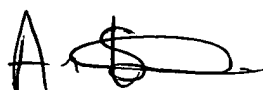
Auditors

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: 14/05/2015

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

For The Year Ended 31 December 2014

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 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, 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 April 2008) (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 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), in the circumstances set out in note 13 to the financial statements.

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 Annual Report 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 December 2014 and of its profit/(loss) 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: 14/05/2015

Nelson College London Ltd
Profit and Loss Account

For The Year Ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER		6,536,627	3,564,043
Cost of sales		(1,197,162)	(1,268,440)
GROSS PROFIT		5,339,465	2,295,603
Administrative expenses		(2,019,846)	(1,291,870)
OPERATING PROFIT	2	3,319,619	1,003,733
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		3,319,619	1,003,733
Other interest receivable and similar income		625	97
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,320,244	1,003,830
Tax on profit on ordinary activities	3	(711,243)	(219,485)
PROFIT FOR THE FINANCIAL YEAR	10	2,609,001	784,345

Nelson College London Ltd
Balance Sheet

As at 31 December 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		3,981,471		59,019
Investments	5		<u>32,000</u>		<u>-</u>
			4,013,471		59,019
CURRENT ASSETS					
Debtors	6	457,346		53,146	
Cash at bank and in hand		<u>899,265</u>		<u>909,137</u>	
		1,356,611		962,283	
Creditors: Amounts Falling Due Within One Year	7	<u>(882,786)</u>		<u>(324,607)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>473,825</u>		<u>637,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,487,296		696,695
Creditors: Amounts Falling After More Than One Year	8		<u>(1,461,600)</u>		<u>-</u>
NET ASSETS			<u>3,025,696</u>		<u>696,695</u>
CAPITAL AND RESERVES					
Called up share capital	9		136		150
Capital redemption reserve			14		-
Profit and Loss account			<u>3,025,546</u>		<u>696,545</u>
SHAREHOLDERS' FUNDS	10		<u>3,025,696</u>		<u>696,695</u>

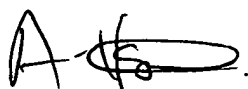
Nelson College London Ltd
Balance Sheet

As at 31 December 2014

Directors' responsibilities:

- 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 2008).

On behalf of the board



Mr Athiqul Islam

14/05/2015

Nelson College London Ltd
Notes to the Accounts

For The Year Ended 31 December 2014

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 April 2008).

1.2. Statement of Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3. Turnover

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

1.4. 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

1.5. 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.

1.6. 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:

	2014	2013
	£	£
Directors' Remuneration	105,600	98,178
Audit fees	11,520	10,000
Depreciation of tangible fixed assets	<u>67,314</u>	<u>33,932</u>

3. Tax on Profit on Ordinary Activities

	2014	2013
	£	£
UK Corporation Tax	<u>711,243</u>	<u>219,485</u>
Total Current Tax Charge	<u>711,243</u>	<u>219,485</u>

Nelson College London Ltd
Notes to the Accounts (continued)

For The Year Ended 31 December 2014

4. Tangible Assets

	Land & Property	Fixtures & Fittings	Computer Equipment	Total
	Freehold			
	£	£	£	£
Cost				
As at 1 January 2014	-	39,336	82,166	121,502
Additions	3,896,345	5,795	87,626	3,989,766
Disposals	-	(2,895)	(13,047)	(15,942)
As at 31 December 2014	<u>3,896,345</u>	<u>42,236</u>	<u>156,745</u>	<u>4,095,326</u>
Depreciation				
As at 1 January 2014	-	14,261	48,222	62,483
Provided during the period	-	11,283	56,031	67,314
Disposals	-	(2,895)	(13,047)	(15,942)
As at 31 December 2014	<u>-</u>	<u>22,649</u>	<u>91,206</u>	<u>113,855</u>
Net Book Value				
As at 31 December 2014	<u>3,896,345</u>	<u>19,587</u>	<u>65,539</u>	<u>3,981,471</u>
As at 1 January 2014	<u>-</u>	<u>25,075</u>	<u>33,944</u>	<u>59,019</u>

Nelson College London Ltd
Notes to the Accounts (continued)

For The Year Ended 31 December 2014

5. Investments

	Unlisted £
Cost	
As at 1 January 2014	-
Additions	32,000
As at 31 December 2014	<u>32,000</u>
 Net Book Value	
As at 31 December 2014	<u>32,000</u>
As at 1 January 2014	<u>-</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 December 2014 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

	2014 £	2013 £
Due within one year		
Trade debtors	51,000	-
Prepayments and accrued income	76,628	27,700
Other debtors	308,726	7,646
Other taxes and social security	3,192	-
	<u>439,546</u>	<u>35,346</u>
 Due after more than one year		
Other debtors	17,800	17,800
	<u>4,57,346</u>	<u>53,146</u>

Nelson College London Ltd
Notes to the Accounts (continued)

For The Year Ended 31 December 2014

7. Creditors: Amounts Falling Due Within One Year

	2014	2013
	£	£
Trade creditors	80,130	56,358
Corporation tax	711,243	219,485
Other taxes and social security	-	13,495
Other creditors	-	8,357
Bank loan	60,900	-
Accruals and deferred income	3,600	-
Directors loan accounts	26,913	26,912
	<u>882,786</u>	<u>324,607</u>

8. Creditors: Amounts Falling After More Than One Year

	2014	2013
	£	£
Bank loans	<u>1,461,600</u>	<u>-</u>

The bank loans are secured by a fixed charge over the college's freehold property in Gants hills.

9. Share Capital

	Value	Number	2014	2013
	£		£	£
Allotted, called up and fully paid:				
Ordinary A shares	<u>1.000</u>	<u>86</u>	<u>86</u>	<u>100</u>
Ordinary B shares	<u>1.000</u>	<u>50</u>	<u>50</u>	<u>50</u>
	<u>-</u>	<u>136</u>	<u>136</u>	<u>150</u>

Nelson College London Ltd
Notes to the Accounts (continued)

For The Year Ended 31 December 2014

10. Reconciliation of Reserves

	Share Capital	Capital Redemption	Profit & Loss Account
	£	£	£
As at 1 January 2014	150	-	696,545
Profit for year	-	-	2,609,002
Purchase of own shares	<u>(14)</u>	<u>14</u>	<u>(280,000)</u>
As at 31 December 2014	<u>136</u>	<u>14</u>	<u>3,025,547</u>

14 £1 ordinary shares class A with an aggregate nominal value of £14 were purchased and cancelled during the period. Distributable reserves have been reduced by £280,000, being the consideration paid for these shares.

11. Other Commitments

At the end of the period the company did not had annual commitments under non-cancellable operating leases.

12. Dividends

	2014	2013
	£	£
On equity shares:		
Final dividend paid	<u>-</u>	<u>172,267</u>

13. Consolidated group accounts

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