

**NELSON COLLEGE LONDON LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

Nelson College London Limited
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**Nelson College London Limited
Company Information
For The Year Ended 31 July 2024**

Directors **Mr. Athiquil Islam**
Mr. Shirajul Islam
Mr. Mohammed Nazim Uddin
Ms. Sarah Jo Loveday (Appointed on 16 Sep 2024)

Company Number 05301926

Registered Office 106 Olympics House
Clements Road
Ilford
Essex
IG1 1BA

Auditors **Accountax Consultants UK Ltd**
49 Goodmayes Road
Ilford
London
IG3 9UF

Nelson College London Limited
Company No. 05301926
Strategic Report
For the Year Ended 31 July 2024

The directors present their report and the financial statements for the year ended 31 July 2024.

Principal Activity

Nelson College London (NCL) is an independent college of higher education specialising in business and hospitality management courses. The college currently offers HND programmes in Business and Hospitality Management, validated by Messrs Pearson and Foundation degrees, BA one-year "Top-Up" programmes and Master level courses validated by London Metropolitan University.

The consolidated financial statements for the year ended 31st July 2024, represent the first consolidated accounts prepared by the Group. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" , and applicable law) and include the results of Nelson College London (the Parent Company) and its subsidiaries (Nelson London Ventures Limited, C4chatga Limited and Sitenet Tech Limited).

Review of Business

Nelson College London (NCL) is proud to present the consolidated financial statements for the year ending July 2024. As the parent company, NCL has continued its mission to deliver career-focused higher education while fostering sustainability, innovation, and governance excellence.

The NCL Group encompasses three subsidiaries—C4chatga Limited, Sitenet Tech Limited, and Nelson London Ventures Limited (trading as NCL Tours)—each strategically aligned with the Group's overarching vision of enhancing the educational experience and strengthening its financial and operational foundations. These subsidiaries reflect the Group's commitment to diversifying income streams, driving technological advancement, and expanding opportunities for students and stakeholders alike.

The first subsidiary (C4chatga Ltd), focuses on commercial property investment, with the primary aim of optimising rental income streams to support the parent company's financial sustainability. This venture enables parent company to generate significant returns while simultaneously forging valuable partnerships with employers in industries closely aligned to the parent company's academic offerings. These partnerships facilitate knowledge exchange and provide meaningful work placement opportunities for students, enhancing their employability and aligning academic learning with practical industry demands. This investment underscores parent company's commitment to integrating real-world experiences into its educational framework while contributing to its financial robustness.

The second subsidiary (Sitenet Tech Limited), is dedicated to advancing technological solutions for the education sector, specifically through the design and development of software that automates business processes in educational organisations. This initiative not only addresses operational efficiency within parent company but also positions the parent company as a leader in technology-driven educational innovation. By collaborating with key stakeholders, the subsidiary fosters innovation that can benefit a broader array of educational institutions and organisations. This strategic alignment reinforces the parent company's reputation as a forward-thinking institution while providing its students with exposure to cutting-edge technological applications, thereby enriching their academic journey and preparing them for evolving professional landscapes.

The Third subsidiary (Nelson London Ventures Limited), trading as NCL Tours, is dedicated to tour operator activities. This subsidiary supports the Group's mission by offering bespoke travel experiences that align with educational objectives. It enables students to gain cultural and global perspectives that complement their academic development. By broadening their horizons and fostering personal growth, NCL Tours enriches the overall student experience and reinforces the holistic approach to education adopted by the NCL Group.

Despite holding less than 50% shares in Sitenet Tech Limited and Nelson London Ventures Limited, the company exercises dominant influence over these two companies through its ability to influence the subsidiary's financial and operational decisions.

The subsidiaries C4chatga Limited and Sitenet Tech Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of section 479A.

The parent company remains steadfast in its commitment to providing an exceptional educational experience and outstanding outcomes for its students. This is achieved through comprehensive support, which includes access to learning resources, workshops, and study tours designed to enrich the learning experience. The provision of vibrant campuses and robust academic resources has contributed to strong student retention and high levels of satisfaction in areas such as teaching, assessment and feedback, and academic support.

As of September 2023, the HND Business and HND Hospitality programmes have been delivered at the newly established parent company's Broadstairs Campus, previously a Canterbury Christ Church University site. This development underscores the college's dedication to extending access to higher education in underserved communities and advancing equality of opportunity.

While challenges persist in facilitating student progression to highly skilled employment and further studies, parent company has proactively undertaken a comprehensive review of its employability support. This has led to the creation of two new departments: Employability & Progression and Student Engagement & Alumni, replacing the former Knowledge Exchange Centre (KEC). These departments aim to provide targeted support for students in transitioning to further studies and highly skilled careers both during their education and post-graduation.

The Careers Hub, a student-focused online portal, is central to these efforts. It offers services such as job search tools, CV building, career-switching guidance, and resources to develop employability skills. Students can also participate in short courses covering diverse topics such as communication skills and team leadership. The Career Advisory Service (CAS) further enhances this support by providing tailored feedback through CV360 and Interview360 tools, powered by Artificial Intelligence. These tools help students refine their CVs and interview techniques, significantly saving time for both students and staff.

The Board of Directors remains committed to transforming students' lives by equipping them with the knowledge and skills necessary to excel in their chosen careers. This requires a nurturing learning environment and bespoke educational opportunities informed by ongoing assessments of student needs.

Parent company's dedication to teaching excellence was formally recognised by the Teaching Excellence and Student Outcomes Framework (TEF) panel, which awarded the college a TEF Silver rating in 2023. The TEF is a national initiative that evaluates teaching quality and its impact on student outcomes, such as graduate employment and further study.

Financial Performance

Despite economic challenges and inflationary pressures, Parent company's financial position remains robust and sustainable, ensuring stability for its students and enabling continued investment in campus facilities and resources.

As an Approved (Fee Cap) Provider, Parent company is registered with the Office for Students (OfS), giving the college access to public grant funding. During the year, the parent company received OfS grants, which were allocated to enhance teaching and learning activities. Strict measures ensure compliance with all associated terms and conditions of grant funding.

Parent company also has an approved Student Protection Plan, outlining the parent company's commitments to students and the measures in place to safeguard their interests. The parent company adheres to the monitoring requirements of the Access and Participation Plan through an annual Impact Report submitted to the OfS. The approved Access and Participation Plan, Impact Report, and Student Protection Plan are publicly available on the college website. The College has submitted its next Access and Participation Plan to the OfS for the period 2025-26 to 2028-29 and is awaiting approval, which is expected later this year or early next year.

Academic Programmes and Developments

The parent company offers undergraduate and postgraduate courses, allowing seamless progression for HND and Foundation Degree (FdA) students to Top-Up programmes, and for Top-Up graduates to pursue postgraduate studies. While student recruitment has remained stable during the year, increased competition in the sector presents ongoing challenges.

The parent company has enrolled the final cohort of students in its London Metropolitan University programmes. As the ten-year partnership concludes in July 2026, there will be no further recruitment, in line with the mutual agreement not to extend the tenure beyond this date.

Additionally, the parent company has strengthened its academic offerings through a new partnership with the University of West London. Under this validation agreement, parent company will deliver five new courses commencing in September 2024:

- MA International Business
- BA (Hons) Business
- BA (Hons) Hospitality Management
- FdA Business
- FdA Hospitality Management

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Strategic Report (continued)
For the Year Ended 31 July 2024

Parent company is actively pursuing Degree Awarding Powers (New DAPs) and plans to submit its application to the OfS during the first half of the 2024–25 academic year. This milestone will enable the college to independently award degrees for its approved courses.

	2024	2023
Home and EU Students	2030	1715
Non-EU students	-	-

Value for Money

The Office for Students (OfS) defines value for money as "*students experiencing the full benefits of higher education, both during their studies and afterwards, in exchange for the effort, time, and money they invest*". At parent company, value for money is achieved through the optimal use of resources to realise intended outcomes, as demonstrated by internal and external metrics. The Parent company is committed to providing a high-quality education that offers excellent value for money.

Recognising the significant investment students make in their education, parent company ensures they receive exceptional teaching, robust support services, and access to modern, state-of-the-art facilities.

Parent company is dedicated to ensuring that all students, regardless of their background, benefit fully from their education. This commitment extends to safeguarding value for money for contributions made by students, taxpayers, and other stakeholders. The parent company's efforts are reflected in strong student participation, enriching experiences, positive outcomes, high continuation rates, and degrees that retain their value over time. To meet and exceed students' expectations, Parent company continuously monitors and enhances teaching quality, learning resources, and assessment feedback mechanisms. Student feedback is regularly gathered and acted upon to inform improvements to services, facilities, and the overall student experience.

Transparency in the use of income and resources is a key priority for the parent company. Investments are made in upgrading infrastructure, improving teaching and learning resources, and strengthening student support services. Parent company is proud of the value it offers and remains committed to ensuring an outstanding student experience that justifies the investment made by students and stakeholders. To measure outcomes and assess progress, Parent company utilises both external and internal metrics. External measures include the Teaching Excellence Framework (TEF) indicators such as student satisfaction with teaching, assessment, and feedback (from the National Student Survey), continuation (retention) rates (from the Higher Education Statistics Agency). Internal metrics include the Value for Money Score, encompassing socio-economic and well-being measures, and Employability Skills Gains, derived from data collected from recently graduated students.

The parent company has achieved an overall silver rating in the TEF 2023. Its outcomes statement states:

- This provider's overall rating is Silver. Typically, the experience students have at Nelson College London Limited and the outcomes it leads to are very high quality.
- This provider's student experience rating is Silver, which means the student academic experience is typically very high quality.
- This provider's student outcomes rating is Bronze, which means student outcomes are typically high quality, and there are some very high-quality features.

The parent company ensures adequate and effective arrangements are in place to secure value for money for students, taxpayers and other interested parties. The detailed assessment of the Value for Money is approved by the Board of Directors. The Audit Risk Management Remuneration Committee ensures that satisfactory arrangements are in place to promote economy, efficiency, and effectiveness. It makes an independent judgment on the effectiveness of the parent company's value-for-money arrangements. The value for money report is published on the college website.

Nelson College London Limited
Company No. 05301926
Strategic Report (continued)
For the Year Ended 31 July 2024

Financial Results

The group generated profit after tax of 896k (2023: 1,187k).

Key Financial Indicators:

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

	Group	
	2024	2023
	£'000	£'000
Total income	17,488	14,702
Profit before tax	1,071	1,651
Profit before tax as a proportion of total income	6.12%	11.23%

The financial position of college stands at the end of year were as follows:

	Group	
	2024	2023
	£'000	£'000
Total equity	16,648	15,279
Total net current assets	4,309	4,768

Revenue of the group is primarily influenced by the number of students registered with the college, the fees per student, the drop-out rate and the timing of the drop-out.

Senior Staff Pay

The Office for Students (OfS) requires providers to have regard to the 'higher education senior staff remuneration code published by the Committee of University Chairs (CUC). For the accounting year ended on 31 July 2024, the Board of Directors can confirm that no staff, including the Directors and Principal, had a full time equivalent annual basic salary of over £100,000.

Principal Risks, Uncertainties and Financial Risk Management

Parent company maintains Corporate, Prevent, and Academic Risk Registers, which are regularly reviewed by the Audit Risk Management and Remuneration Committee (ARMRC) and the Principal's Executive Group. These reviews are then presented to the Board of Governance and the Directors for further consideration. Any changes to existing risks, including their impact, likelihood, and mitigating actions, are thoroughly evaluated, with appropriate measures implemented as necessary. The Risk Registers include a scoring system designed to assess the likelihood and potential impact of identified risks. Each risk is assigned to a senior officer responsible for monitoring and reporting on the risk.

The parent company has demonstrated strong financial stability and an ongoing ability to recruit students. The most significant residual risk lies in unforeseen and adverse changes to the policy and regulatory environment. Parent company's most robust mitigation against this risk is its commitment to performing at the highest standards, ensuring compliance with all regulatory requirements and internal key performance indicators.

Parent company is in a strong financial position, particularly in terms of liquidity, and expects to meet all short- and long-term liabilities for the foreseeable future. While the parent company remains subject to decisions and actions by the Office for Students (OfS), any substantial impact from such decisions would take time to materialise. Parent company's financial strength mitigates this risk and ensures that the college can fulfil its obligations to teach out its current cohorts of students under any circumstances. The college is also actively seeking opportunities to diversify and expand its portfolio of taught programmes to enhance resilience and growth.

**Nelson College London Limited
Company No. 05301926
Strategic Report (continued)
For the Year Ended 31 July 2024**

The ongoing cost-of-living crisis continues to significantly impact students. In response, the college is committed to supporting its students through hardship funds and comprehensive pastoral care services, ensuring they have the necessary support to navigate these challenging times.

By continuously monitoring risks and adapting its strategies, parent company remains focused on maintaining financial resilience, regulatory compliance, and its commitment to providing an excellent education for its students.

Approved by the Board and signed by its order by

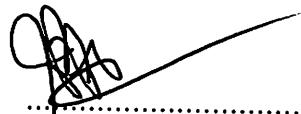


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Mr Athiqul Islam

Director

Date: 20.12.24



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Mr Mohammed Nazim Uddin

Director

Date: 20.12.24

Nelson College London Limited
Company No. 05301926
Directors' Report
For the Year Ended 31 July 2024

The directors present their report and the audited financial statements for the year ended 31 July 2024.

Future Developments

The directors consider the future developments affecting the company and group to be covered within the 'Review of Business' section of the strategic report on page 2.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. Athiquil Islam

Mr. Shirajul Islam

Mr. Mohammed Nazim Uddin

Ms. Coral Eileen Flanagan – Resigned on 16 September 2024

Ms. Sarah Jo Loveday – Appointed on 16 September 2024

Financial instruments

Please refer to the 'Principal Risks, Uncertainties and Financial risk Management' section of the strategic report on page 5.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

The Company law requires the directors to prepare financial statements for each financial year. Under this law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 United Kingdom Accounting Standards, Comprising FRS 102, 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and group 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 the company and group have 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.

**Nelson College London Limited
Company No. 05301926
Directors' Report (continued)
For the Year Ended 31 July 2024**

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 and the group's auditor are unaware; and each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor are aware of that information.

Each of the directors confirms 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 and the group'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 and the group's auditors are aware of that information.

Auditors

The auditors, Accountax Consultants UK Limited, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board and signed by its order by



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Mr Athiqul Islam

Director

Date: 20.12.24



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Mr Mohammed Nazim Uddin

Director

Date: 20.12.24

Nelson College London Limited
Company No. 05301926
Statement of Corporate Governance
For the Year Ended 31 July 2024

Nelson College London (NCL) is governed by the Board of Directors (BoD) and its sub-committees, operating in accordance with the regulations outlined in the Company's Memorandum and Articles of Association. The BoD has statutory oversight of the college, ensuring compliance with the legal and regulatory framework governing a company limited by shares, the requirements of its regulator and awarding bodies, and the expectations of its students, staff, and shareholders.

The college's governance arrangements align with the expectations of the UK higher education sector, reflecting the core values and principles outlined in the Higher Education Code of Governance, published by the Committee of University Chairs (CUC). To facilitate effective corporate governance, the BoD has appointed a Principal and established oversight structures, including the Board of Governance (BoG), the Audit Risk Management and Remuneration Committee (ARMRC), and an Academic Board, all supported by various sub-committees and steering groups.

In alignment with its commitment to governance excellence, Nelson College London commissioned an independent review to assess the effectiveness of its governance arrangements and ensure compliance with the Office for Students (OfS) conditions of registration. This proactive initiative reflects the College's dedication to maintaining robust, well-functioning governance structures and fostering continuous improvement. Building on the outcomes of the previous external governance review conducted in December 2019, the latest evaluation identified notable strengths, including a steadfast commitment to effective governance, the involvement of independent members, strong student engagement, a developing risk management framework, and thorough monitoring of legal and regulatory compliance. The College is proud of these achievements and is committed to preserving and building upon these exemplary practices.

While recognising these strengths, the review also sought constructive recommendations for further enhancement. The College wholeheartedly embraces these recommendations and has already begun formulating an action plan to implement them. By addressing these areas, NCL aims to strengthen its governance practices, ensuring they remain fit for purpose and aligned with its strategic objectives. The College is steadfast in its intention to uphold the good practices highlighted in the review while acting decisively on the recommendations, thereby reaffirming its position as a model for well-governed, innovative higher education provision.

As identified in the review, while the BoD has ultimate decision-making authority, operational decisions are typically made collaboratively or in consultation with its committees. The BoG plays a leading role in setting the college's strategy, defining objectives, monitoring performance, and overseeing academic governance. It scrutinises all academic operations and receives reports and supporting documentation as required. The ARMRC focuses on risk management, external audit, and securing value for money (VFM).

The BoD, in collaboration with the BoG and ARMRC, is committed to demonstrating strong leadership and stewardship. These efforts aim to protect the institution's reputation and provide assurance to key stakeholders, including students, partners, and the wider community. Furthermore, the BoD ensures that public funds are managed appropriately, adhering to the principles of regularity, propriety, and value for money, and safeguarding the interests of taxpayers and other stakeholders.

NCL also receives grants, which are closely monitored and allocated in line with grant terms and conditions. Audits are conducted to ensure compliance with these terms, confirming that funds are utilised effectively and transparently.

The Articles of Association include provisions for the establishment of the ARMRC, which brings expertise in risk management under delegation from the BoD. The ARMRC's responsibilities span various aspects of the college's operations, including advising on the appropriateness of control systems, risk management processes, and tools, promoting value for money, and overseeing the quality assurance of data.

The governance framework incorporates checks and balances to ensure regularity, propriety, and value for money. The ARMRC provides assurance that effective arrangements are in place to promote economy, efficiency, and effectiveness. Its annual report includes an independent assessment of the college's value-for-money mechanisms.

To maintain robust governance, duties are appropriately segregated to prevent any individual from holding unfettered power. Collaborative scrutiny is achieved through joint efforts involving the BoD, BoG, and ARMRC. The ARMRC ensures mechanisms are in place to achieve value for money and that financial transactions adhere to UK Generally Accepted Accounting Principles (UK GAAP). Expenditure is scrutinised to ensure it is true, fair, and exclusively incurred for the college's essential activities.

As with public procurement, the college's procurement processes are designed to ensure value for money while maintaining propriety and regularity. Value for money is defined as the optimal balance between whole-life costs and quality.

Nelson College London Limited
Company No. 05301926
Statement of Corporate Governance (continued)
For the Year Ended 31 July 2024

The college is dedicated to achieving value for money in all its activities by optimising the use of resources to maximise benefits for students, taxpayers, and shareholders. The approach considers quality and fitness for purpose to ensure that goods and services represent good value. This commitment to efficiency and effectiveness underpins the college's focus on delivering excellent student outcomes.

The Audit Risk Management and Remuneration Committee monitors these processes and approves the VFM report to enable NCL to evaluate its mechanisms and ensure continuous improvement in achieving value for money.

Nelson College London Limited
Company No. 05301926
Statement of Internal Controls
For the Year Ended 31 July 2024

Risk Management System

Article 59 of the parent company's Articles of Association states that the directors shall, using their powers under the Companies Acts, establish the Audit Risk Management Remuneration Committee to oversee matters related to the arrangements for risk management, internal control, external audit and value for money.

The Audit Risk Management Remuneration Committee and the Board of Directors ensure that the parent company has an appropriate risk management framework in place and that risk management tools (such as risk registers) to monitor and manage various risks affecting the sustainability of the parent company's operation.

The Risk Management Framework covers all risks affecting the parent company, including corporate, operational, regulatory, compliance and academic risks. The parent, therefore, maintains three separate risk registers: Corporate, Academic and Prevent covering all risks. Each Risk Register identifies clear ownership of the individual risks with identifiable milestones and achievements. The Risk Registers are reviewed by the Audit Risk Management Remuneration Committee as soon as any changes are detected in relevant external and internal circumstances.

The Academic Board provides leadership and oversight of the Academic Risk Register and will oversee the implementation of the Academic Risk Management Plan. The risks within the plan are collated using the four-stage risk management process- identification, evaluation, management and monitoring of the academic risks. In respect to risk management, the Academic Board provides a yearly report to the Board of Governance, a copy of which is also provided to the Audit Risk Management Remuneration Committee.

Internal Control Systems

The Articles of Association assign the ARMRC oversight of key parent company activities, including advising and making recommendations to the Board of Directors on the suitability of control systems, risk management processes, tools, value-for-money initiatives, and data management and quality assurance.

The ARMRC submits an annual report to the Board of Directors, offering its opinion on the effectiveness of the college's risk management, internal controls, and corporate governance. These internal control arrangements ensure that public funds are spent consistently and strictly in line with their intended purposes. Built-in checks within the governance framework promote regularity, propriety, and value for money (VFM).

To ensure no single individual has unfettered power, the parent company's governance arrangements include an appropriate segregation of duties. Scrutiny of internal controls is carried out collectively by the Directors, the Board of Governance, and the ARMRC. Assurance is provided to the ARMRC that arrangements to promote economy, efficiency, and effectiveness are in place.

Parent company ensures compliance with UK Generally Accepted Accounting Principles (UK GAAP), maintaining that all expenditures and receipts are processed transparently and present a true and fair view. Expenses incurred are verified as necessary and exclusively for the essential activities of the college. In addition to robust internal controls, the college's external auditors provide independent assurance of risk management and internal governance.

Confirmation of Principal Business Threats

The Board of Directors is pleased to report that Nelson College London (NCL) has made significant advancements in risk management practices, ensuring robust oversight of operational challenges and compliance obligations. Central to this effort is the use of the Risk Manager software system, which facilitates the identification, recording, and monitoring of key risks across various domains.

To mitigate these risks, the College's use of a dynamic risk register, which is consistently updated, reviewed, and approved in accordance with the College's comprehensive risk management framework, underpins this proactive approach. By systematically identifying and addressing risks, the College is well-positioned to adapt to regulatory changes and safeguard its strategic objectives.

The integration of the Risk Manager system into NCL's broader governance structure exemplifies its forward-thinking approach to institutional resilience. The system not only supports compliance efforts but also enhances the College's ability to anticipate and respond to emerging risks in a timely manner. This enables NCL to sustain its operational excellence and maintain the confidence of its stakeholders, ensuring that the College continues to thrive in a dynamic and often unpredictable higher education landscape. By embedding risk management into its strategic planning processes, NCL reinforces its role as a leading provider of career-focused education while navigating the complexities of the regulatory environment with diligence and foresight.

Nelson College London Limited
Company No. 05301926
Statement of Internal Controls (continued)
For the Year Ended 31 July 2024

Outlined below are the key risks identified by the directors in their risk assessment. While not all risks are within management's control, efforts are made to mitigate their impact wherever possible.

1. Student Recruitment

Student recruitment continues to face challenges due to increased competition, including new entrants to the higher education sector and universities establishing satellite campuses in London.

To mitigate these risks, the parent company has made significant investments in its recruitment and admissions team, widened participation and outreach activities, and opened a third campus in Broadstairs. Parent company has also strengthened relationships with multiple ethnic communities in the UK. By maintaining a high standard of education and investing in personalised learning and technology, the college seeks to attract non-traditional and mature students from a wider catchment area.

2. Compliance and Regulatory Risk

The parent company operates in a heavily regulated environment, and changes in government policy, such as adjustments to student fees or funding availability, can significantly impact operations.

Parent company continues to provide all necessary information to the Office for Students (OfS) and the Higher Education Statistics Agency (HESA) to ensure compliance. A governance review conducted in 2019 led to a clearly articulated governance structure and updated policies and procedures. These are regularly reviewed against the Quality Assurance Agency (QAA) Quality Code and OfS registration conditions to ensure ongoing compliance.

3. Economic Risks

Rising inflation and interest rates continue to pose considerable challenges, as they disproportionately escalate costs, potentially eroding profitability and constraining the ability to generate cash surpluses.

To address these risks, the college has implemented proactive strategies, including renting sections of the Broadstairs campus to create additional revenue streams. Additionally, tuition fees have been increased to help counterbalance the effects of inflation and rising operational costs, supporting the institution's progress towards financial sustainability.

Governance and Management Review

Parent company continues to strengthen its governance and management arrangements to ensure they remain efficient and effective. The college has enhanced both its corporate and academic governance structures to meet the expectations of stakeholders, including the Office for Students and the Quality Assurance Agency.

By maintaining robust risk management systems, internal controls, and governance frameworks, Parent company is committed to safeguarding its operations, ensuring compliance, and delivering value for money for its students, staff, and stakeholders.

**Nelson College London Limited
Independent Auditor's Report
For the Year Ended 31 July 2024**

Independent Auditor's Report to the members of Nelson College London Limited

Opinion

We have audited the financial statements of Nelson College London Limited (the 'Parent Company') and its subsidiaries ('the Group') for the year ended 31 July 2024 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 Financial Reporting Standard 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 Company affairs as at 31 July 2024 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 and Parent 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to Group's and Parent Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Directors' Report, Statement of Corporate Governance and Internal Controls and, in doing so, consider

Nelson College London Limited
Independent Auditor's Report (continued)
For the Year Ended 31 July 2024

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities. With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Opinion on other matters required by the office for students ("OfS") and Research England

In our opinion, in all material respects:

- funds from whatever source administered by the parent company for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the Terms and Conditions of Funding and any other terms and conditions attached to them.
- the requirement of OfS's accounts direction have been met.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The parent company's grant and fee income, as disclosed in note 4 to the financial statements, has been materially misstated; or
- The parent company's expenditure on access and participation activities for the financial year, as disclosed in note 23 to the financial statements, has been materially misstated.
- We have no matters to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the group and parent 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 directors either intend to liquidate the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Nelson College London Limited
Independent Auditor's Report (continued)
For the Year Ended 31 July 2024

Based on our understanding of the industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students initial and general ongoing condition of registration, and the Office for Students' Accounts Direction (OfS 2019.41), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the use of journals to manipulate financial performance, management bias in accounting estimates and judgements.

Audit procedures performed included:

- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations;
- challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias), in particular in relation to the valuation of investment and freehold properties;
- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of this report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have form.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



.....
Ghafoor Ahmad (Senior Statutory Auditor)

For and on behalf of Accountax Consultants UK Limited (Statutory Auditor)

Chartered Certified Accountant and Registered Auditors

49 Goodmayes Road, Ilford, IG3 9UF

Date: 20.12.24

Nelson College London Limited
Group Profit and Loss Account and Statement of Comprehensive income
For the Year Ended 31 July 2024

	Notes	2024	2023
		£	£
TURNOVER			
Cost of sales	4	17,488,104	14,702,430
		(5,630,225)	(4,290,296)
GROSS PROFIT		11,857,879	10,412,134
Administrative expenses		(10,844,565)	(8,783,858)
Other operating income	5	402,166	304,917
OPERATING PROFIT		1,415,480	1,933,193
Other interest receivable and similar income	10	17,277	11,533
Interest payable and similar charges	11	(361,436)	(293,761)
PROFIT BEFORE TAXATION		1,071,321	1,650,965
Tax on profit	12	(175,393)	(463,918)
PROFIT FOR THE FINANCIAL YEAR		895,928	1,187,047
Profit for the financial year is attributable to:			
- Owners of the parent company		883,151	1,187,045
- Non-controlling interests		12,777	2
		895,928	1,187,047
STATEMENT OF COMPREHENSIVE INCOME			
PROFIT FOR THE FINANCIAL YEAR		895,928	1,187,047
OTHER COMPREHENSIVE INCOME:			
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		895,928	1,187,047
Total comprehensive income for the financial year is attributable to:			
- Owners of the parent company		883,151	1,187,045
- Non-controlling interests		12,777	2
		895,928	1,187,047

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

Nelson College London Limited
Group Balance Sheet
As at 31 July 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Tangible assets	13	4,744,265	4,978,930
Investment properties	13	<u>11,903,303</u>	<u>10,255,424</u>
		16,647,568	15,234,354
CURRENT ASSETS			
Debtors	15	2,424,393	2,198,197
Cash at bank and in hand		3,189,512	3,391,990
		<u>5,613,905</u>	<u>5,590,187</u>
Creditors: Amounts Falling Due Within One Year	16	<u>(1,304,743)</u>	<u>(822,402)</u>
NET CURRENT ASSETS		4,309,162	4,767,785
TOTAL ASSETS LESS CURRENT LIABILITIES		20,956,730	20,002,139
Creditors: Amounts Falling Due After More Than One Year	17	<u>(3,980,910)</u>	<u>(4,139,906)</u>
PROVISIONS FOR LIABILITIES			
Provision for the liabilities	18	<u>(328,257)</u>	<u>(583,098)</u>
NET ASSETS		16,647,563	15,279,135
CAPITAL AND RESERVES			
Called up share capital	19	107	107
Revaluation reserve		1,164,148	1,164,148
Capital redemption reserve		43	43
Profit and loss reserves		<u>14,824,158</u>	<u>13,941,007</u>
Equity attributable to owners of the parent company		15,988,456	15,105,305
Non-controlling interests		659,107	173,830
SHAREHOLDERS' FUNDS		16,647,563	15,279,135

**Nelson College London Limited
Group Balance Sheet (continued)
As at 31 July 2024**

The financial statements were approved and authorised for issue by the Board on 20/12/24.
On behalf of the board

.....
.....

Mr Athiqul Islam
Director
Date: 20.12.24

.....
.....

Mr Mohammed Nazim Uddin
Director
Date: 20.12.24

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

Company registration number: 05301926

Nelson College London Limited
Company Balance Sheet
As at 31 July 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Tangible assets	13	4,742,873	4,977,005
Investment properties	13	10,498,530	9,977,424
Investment	14	1,027,200	127,200
		<hr/> 16,268,603	<hr/> 15,081,629
CURRENT ASSETS			
Debtors	15	1,963,185	1,930,998
Cash at bank and in hand		3,050,352	3,360,269
		<hr/> 5,013,537	<hr/> 5,291,267
Creditors: Amounts Falling Due Within One Year	16	(1,206,398)	(749,164)
NET CURRENT ASSETS		3,807,139	4,542,103
TOTAL ASSETS LESS CURRENT LIABILITIES		20,075,742	19,623,732
Creditors: Amounts Falling Due After More Than One Year	17	(3,822,727)	(3,981,722)
PROVISIONS FOR LIABILITIES			
Provision for the liabilities	18	(313,409)	(568,198)
NET ASSETS		15,939,606	15,073,812
CAPITAL AND RESERVES			
Called up share capital	19	107	107
Revaluation reserve		1,164,148	1,164,148
Capital redemption reserve		43	43
Profit and Loss Account		14,775,308	13,909,514
SHAREHOLDERS' FUNDS		15,939,606	15,073,812

Nelson College London Limited
Company Balance Sheet (continued)
As at 31 July 2024

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The financial statements were approved by the board of directors and authorised for issue on 20.12.24

On behalf of the board



Mr Athiqul Islam

Director

Date: 20.12.24



Mr Mohammed Nazim Uddin

Director

Date: 20.12.24

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

Company registration number: 05301926

**Nelson College London Limited
Group Statement of Changes in Equity
For The Year Ended 31 July 2024**

		Called-up Share Capital	Revaluation	Capital	Profit and Loss	Non- controlling Interest	
	Note	£	£	£	£	£	Total
Balance as at 01 August 2022	19	107	1,164,148	43	12,753,962	173,828	14,092,088
Profit for the year and total comprehensive income		-	-	-	1,187,045	2	1,187,047
Balance as at 31 July 2023 and 01 August 2023		<u>107</u>	<u>1,164,148</u>	<u>43</u>	<u>13,941,007</u>	<u>173,830</u>	<u>15,279,135</u>
Profit for the year and total comprehensive income		-	-	-	883,151	12,777	895,928
Other movement		-	-	-	-	472,500	472,500
Balance as at 31 July 2024	19	<u>107</u>	<u>1,164,148</u>	<u>43</u>	<u>14,824,158</u>	<u>659,107</u>	<u>16,647,563</u>

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

**Nelson College London Limited
Company Statement of Changes in Equity
For The Year Ended 31 July 2024**

		Called-up Share Capital	Revaluation Reserve	Capital Redemption	Profit and Loss Account	Total
	Note	£	£	£	£	£
Balance as at 01 August 2022	19	107	1,164,148	43	12,722,470	13,886,768
Profit for the year and total comprehensive income		-	-	-	1,187,044	1,187,044
Balance as at 31 July 2023 and 01 August 2023		107	1,164,148	43	13,909,514	15,073,812
Profit for the year and total comprehensive income		-	-	-	865,794	865,794
Balance as at 31 July 2024	19	107	1,164,148	43	14,775,308	15,939,606

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

**Nelson College London Limited
Group Statement of Cash Flows
For The Year Ended 31 July 2024**

	Note	2024 £	2023 £
Net cash from operating activities	24	2,423,522	1,907,490
Taxation paid		(589,903)	(557,924)
Net cash generated from operating activities		1,833,619	1,349,566
Cash flow from investing activities			
Purchase of tangible fixed assets		(141,145)	(470,665)
Purchase of investment property		(1,917,879)	-
Investment in subsidiaries	25	(900,000)	-
Capital grants received		50,000	100,000
Interest received		17,277	11,533
Net cash used in investing activities		(2,891,747)	(359,132)
Cash flow from financing activities			
Issue of shares		1,372,500	665
Repayment of long-term loans		(168,653)	(187,146)
Interest paid		(348,197)	(281,228)
Net cash (used)/ generated in financing activities		855,650	(467,709)
Net Increase /(decrease) in cash and cash equivalents		(202,478)	522,725
Cash and cash equivalents at beginning of year		3,391,990	2,869,265
Cash and cash equivalents at end of year	24	3,189,512	3,391,990

The statement of principal accounting policies on pages 24 to 28 and notes to the financial statements on pages 29 to 43 form part of these financial statements.

Nelson College London Limited
Statement of Principle Accounting Policies
For The Year Ended 31 July 2024

1. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including financial reporting standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the republic of Ireland" ("FRS 102") and the companies act 2006.

The financial statements are presented in Sterling (£) and figures have been rounded off to the nearest Sterling (£).

2. Accounting Policies

2.1. Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company and group accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3 of the statement of principle accounting policies.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

2.2. Business Combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

2.3. Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Nelson College London Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 July 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Nelson College London Limited
Statement of Principle Accounting Policies (continued)
For The Year Ended 31 July 2024

2.3. Basis of consolidation (continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

2.4. Going concern disclosure

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the company's and group ability to continue as a going concern.

The company and group meet its day-to-day working capital requirements through its operating cash flow.

After reviewing the company's and group forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

2.5. Turnover

i. Tuition fees

Tuition fees are stated gross of any expenditure which is not a discount and are credited to the Profit and Loss account over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount.

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

ii. Funding body grants (Government grants)

Government grants are released as income to the Profit and Loss account when the company is entitled to it, subject to any performance related conditions being met. Income received in advance of performance related conditions being met is credited to deferred income within one year, or more than one year, and released to the Profit and Loss account in line with such conditions being met. Government capital grants are recognised in income over the expected useful life of the asset to which the grant relates.

iii. Other

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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 buildings	2% on cost
Fixtures & Fittings	25% on cost
Computer Equipment	33% on cost

All land and buildings are initially recognised at cost which includes purchase costs and any directly attributable expenditure. Subsequently these land and buildings are carried at fair value determined annually. No depreciation is provided for land. Changes in fair value are recognised in the other comprehensive income.

Nelson College London Limited
Statement of Principle Accounting Policies (continued)
For The Year Ended 31 July 2024

2.7. Investment properties

Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

2.8. Leased assets

At inception the company and group assess agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.9. Financial instruments

i. Financial assets

Basic financial assets, including debtors and other receivables and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including creditors and other payables and bank loans are classified as debt, are initially recognised 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Nelson College London Limited
Statement of Principle Accounting Policies (continued)
For The Year Ended 31 July 2024

2.9. Financial instruments - (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.10. Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Nelson College London Limited
Statement of Principle Accounting Policies (continued)
For The Year Ended 31 July 2024

2.11. Taxation (continued)

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2.12. Pensions

The company and group contribute to the National Employment Savings Trust (NEST), which is a defined contribution workplace pension scheme in the United Kingdom. It was set up to facilitate automatic enrolment as part of the government's workplace pension reforms under the Pensions Act 2008.

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2.13. Other operating income

Rental income is recognised on a straight-line basis over the period of the lease. Service charges are recognised in the accounting year in which the services are rendered.

2.14. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.15. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Critical accounting estimates and assumptions

The company and group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 of the notes to the financial statements for the carrying amount of the property plant and equipment, and note 2.6 of the statement of principle accounting policies for the useful economic lives for each class of assets.

(b) Investment properties

The valuation of the company's and group investment property is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company and group places on its investment properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the properties market. The investment property valuation contains a number of assumptions include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions.

**Nelson College London Limited
Notes to the Financial Statements
For The Year Ended 31 July 2024**

4. Turnover

Analysis of turnover by principal activities in the UK is as follows:

	Group	
	2024	2023
	£	£
i. Details of grant and fee income		
Fee income for taught awards	14,756,976	12,653,416
Grant income from the OfS	1,210,448	970,719
	15,967,424	13,624,135
ii. Other		
	1,520,680	1,078,295
	17,488,104	14,702,430

5. Other operating income:

	Group	
	2024	2023
	£	£
Rental income		
	402,166	304,917
	402,166	304,917

6. Operating profit

The operating profit is stated after charging:

	Group	
	2024	2023
	£	£
Directors' remuneration		
Audit fees;	283,386	272,425
For the audit of Parent company & Consolidated accounts	9,000	7,800
For the audit of the financial statements of subsidiary	3,500	3,500
Audit fees (grant)	1,440	1,200
Depreciation of tangible fixed assets	375,810	445,453
(Profit) / loss on fair value movement of investment property	270,000	506,255

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

7. Staff costs

Staff costs, including directors' remuneration, were as follows:

	Group	
	2024	2023
	£	£
Wages and salaries	3,228,582	2,523,376
Social security costs	284,921	233,902
Pension costs	46,510	37,332
	3,560,013	2,794,610

The above amount includes £91,732 (2023: £73,555) staff cost which were incurred on the staffing resources required for the delivery of the access and participation activities.

Emoluments of the principal, head of the college, were as follows:

	Group	
	2024	2023
	£	£
Salary	46,677	48,076
Compensation for loss of office	26,241	-
Pension contribution	1,344	1,255
	74,262	49,331

The head of the provider's basic salary is 1.8 times (2023: 1.7) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 2.9 (2023: 1.7) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. Staff with a basic pay of £nil were not included in calculating the pay multiple for basic pay.

Professor Geoffrey Alderman retired as Principal on 31st July 2024. In recognition of his outstanding service and dedication to Nelson College, he was conferred the title of Emeritus Principal. Following the College's succession plan, a new Principal was appointed effective from 1st August 2024. The incoming Principal brings extensive senior-level experience, having served in various professional bodies and leading UK universities.

For the accounting year ending on 31 July 2024, there were no staff, including the directors and Principal, that had a full-time equivalent basic salary of over £100,000 per annum. In addition, the college have not paid any severance payments during the financial year.

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Group	
	2024	2023
	£	£
Salaries and other short-term benefits	392,425	356,238
Post-employment benefits	5,307	5,218
	397,732	361,456

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

7. Staff costs (continued)

Board of Governors remuneration

External members of the board have received remuneration from the company during the year of £55,400 (2023: £56,300). No expenses were paid to or on the behalf of the external board members.

8. Average number of employees

Average number of employees, including directors, employed by the company and group during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Office and administration	105	81	99	77
Sales, marketing and distribution	12	12	12	12
	117	93	111	89

9. Directors' remuneration

	Group	
	2024	2023
	£	£
Emoluments	279,423	268,462
Company contributions to money purchase pension schemes	3,963	3,963
Sums paid to third parties for directors' services	15,000	18,000
	298,386	290,425

During the year, retirement benefits were accruing to 3 directors (2023: 3) in respect of money purchase schemes.

10. Interest receivable and similar income

	Group	
	2024	2023
	£	£
Bank interest income	17,277	11,533
	17,277	11,533

11. Interest payable and similar charges

	Group	
	2024	2023
	£	£
Bank loans	361,436	293,761
	361,436	293,761

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

12. Income tax

a. Tax expense included in profit or loss

	Tax Rate	2024	2023	2024	2023
	2024	2023	£	£	£
Current tax:					
UK Corporation Tax	25.0%	19.0% / 25%	430,234	455,407	
Total current tax charge			430,234	455,407	
Deferred tax:					
-Origination and reversal of timing differences		(254,841)		8,511	
Total deferred tax charge		(254,841)		8,511	
Total tax expense included in Profit and Loss account			175,393	463,918	

b. Reconciliation of tax charge

The difference between the tax on profit before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	2024	2023
	£	£
Profit before tax	1,071,321	1,650,965
Breakdown of tax charge is:		
Tax on profit at rate of 25% (2023 – UK hybrid tax rate of 21.01%)	267,830	346,747
Depreciation not allowed for tax	93,952	93,554
Expenses not deductible for tax purposes	36,238	16,604
Capital allowances	(35,286)	(108,785)
Non-taxable losses/(gains)	67,500	107,287
Other timing differences	(254,841)	8,511
Total tax charge for the year	175,393	463,918

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

12. Income tax (continued)

c. Deferred tax

Deferred tax included in the group balance sheet is as follows:

	Note	2024	2023
		£	£
Included in group provisions for liabilities	18	328,257	583,098
		328,257	583,098

Breakdown of deferred tax provision in the group balance sheet is:

	2024	2023
	£	£
Accelerated capital allowances	77,707	116,514
Other timing differences	250,550	466,584
Total group deferred tax liability at year end	328,257	583,098

13. Tangible assets

Group	Land & Property Freehold	Fixtures and fittings	Computer Equipment	Total
				£
Cost or fair value				
At 1 August 2023	4,640,695	877,236	1,166,325	6,684,256
Additions	-	28,830	112,315	141,145
At 31 July 2024	4,640,695	906,066	1,278,640	6,825,401
Depreciation				
At 1 August 2023	128,143	630,302	946,881	1,705,326
Depreciation charged in the period	79,116	111,335	185,359	375,810
At 31 July 2024	207,259	741,637	1,132,240	2,081,136
Net Book Value				
At 31 July 2024	4,433,436	164,429	146,400	4,744,265
At 31 July 2023	4,512,552	246,934	219,444	4,978,930

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

13. Tangible assets (continued)

Company	Land& Property Freehold	Fixtures and fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 August 2023	4,640,695	873,865	1,147,231	6,661,791
Additions	-	28,830	112,315	141,145
At 31 July 2024	<u>4,640,695</u>	<u>902,695</u>	<u>1,259,546</u>	<u>6,802,936</u>
Depreciation				
At 1 August 2023	128,143	627,723	928,920	1,684,786
Depreciation charged in the period	79,115	111,177	184,985	375,277
At 31 July 2024	<u>207,258</u>	<u>738,900</u>	<u>1,113,905</u>	<u>2,060,063</u>
Carrying amount				
At 31 July 2024	<u>4,433,437</u>	<u>163,795</u>	<u>145,641</u>	<u>4,742,873</u>
At 31 July 2023	<u>4,512,552</u>	<u>246,142</u>	<u>218,311</u>	<u>4,977,005</u>

The historic cost equivalent of land and property freehold included at valuation are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cost	3,476,547	3,476,547	3,476,547	3,476,547
Accumulated depreciation	(517,580)	(457,478)	(517,580)	(457,478)
Net book value	<u>2,958,967</u>	<u>3,019,069</u>	<u>2,958,967</u>	<u>3,019,069</u>

	Group	Investment Properties	Total
		£	£
Fair market value			
As at 1 August 2023		10,255,424	10,255,424
Additions		1,917,879	1,917,879
Revaluation		(270,000)	(270,000)
As at 31 July 2024		<u>11,903,303</u>	<u>11,903,303</u>

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

13. Tangible assets - (continued)

Company	Investment Properties	Total
	£	£
Fair market value		
As at 1 August 2023	9,977,424	9,977,424
Additions	791,106	791,106
Revaluation	(270,000)	(270,000)
As at 31 July 2024	10,498,530	10,498,530

The historic cost equivalent of investment properties included at valuation are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cost	11,868,447	9,950,568	10,511,220	9,720,114
Accumulated depreciation	-	-	-	-
Net book value	11,868,447	9,950,568	10,511,220	9,720,114

Company and the subsidiary Nelson London Ventures Ltd's all tangible fixed assets and investment properties have been pledged as security for liabilities of the company which are disclosed in note 17 of the notes to the financial statements.

Three investment properties were revalued by independent valuer using market-based evidence for similar properties sold and recent lettings of similar properties in the local area.

Remaining investment properties were revalued by directors who are not professionally qualified valuers. The methods and significant assumptions used to ascertain the fair value are as follows:

- making enquiries with the local property agents.
- taking into consideration the rental yields generated by the properties, and;
- taking into consideration of the similar sold properties including their size, conditions and location.

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

14. Investments

	Company	2024	2023
		£	£
Total investments comprise:			
Interest in Subsidiary		1,027,200	127,200
		1,027,200	127,200
			Unlisted
Cost			
As at 01 August 2023			127,200
Additions			900,000
As at 31 July 2024			1,027,200
Provision			
As at 01 August 2023			-
As at 31 July 2024			-
Net Book Value			
As at 31 July 2024			1,027,200
As at 01 August 2023			127,200

14.1 Subsidiaries undertaking

Details of the company's subsidiaries at 31 July 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% held direct
Nelson London Ventures Limited	Commercial House, 406-410 Eastern Avenue, Ilford, Essex, IG2 6NQ	Ordinary	47.82
C4chatga Limited	Commercial House 406-410 Eastern Avenue, Ground Floor, Ilford, England, IG2 6NQ	Ordinary	65.60
Sitenet Tech Limited	406-410 Eastern Avenue, Ilford, England, IG2 6NQ	Ordinary	47.82

Despite holding less than 50% shares in Sitenet Tech Limited and Nelson London Ventures Limited, the company exercises dominant influence over these two companies through its ability to influence the subsidiary's financial and operational decisions.

The subsidiaries C4chatga Limited and Sitenet Tech Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of section 479A.

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

15. Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Due within one year				
Trade debtors	1,621,528	1,514,964	1,516,416	1,387,141
Other debtors	320,086	116,180	8,700	8,926
Prepayments and accrued income	432,599	512,073	408,069	500,131
	2,374,213	2,143,217	1,933,185	1,896,198
Due after more than one year				
Other debtors	50,180	54,980	30,000	34,800
	50,180	54,980	30,000	34,800
	2,424,393	2,198,197	1,963,185	1,930,998

All current assets of company and its subsidiary Nelson London Ventures Limited, including debtors have been pledged as security for liabilities of the company which are disclosed in note 17 of the notes to the financial statements.

16. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	192,845	249,578	139,687	191,400
Bank Loans	168,614	178,565	168,614	178,565
Corporation tax	30,251	189,921	22,623	188,658
Other creditors	129,704	36,038	100,845	26,241
Capital grants	47,830	42,129	47,830	42,129
Accruals and deferred income	735,499	126,171	726,799	122,171
	1,304,743	822,402	1,206,398	749,164

17. Creditors: Amounts Falling Due After More Than One Year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank Loans	3,958,527	4,103,992	3,800,344	3,945,808
Capital grants	22,383	35,914	22,383	35,914
	3,980,910	4,139,906	3,822,727	3,981,722

The Company and group bank loan is secured against a legal charge and fixed charge over the freehold land and building including those classified as investment properties with a book value of £4,433,437 included in tangible assets and of £5,845,424 is included in investment properties.

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

17. Creditors: Amounts Falling Due After More Than One Year (continued)

The debenture deed is also secured by fixed charge over the all land owned by the company in the England and Wales, all tangible assets (except the buildings other than above mentioned properties with fixed charge) and investments; and a floating charge over all of the other fixed assets and current assets of the company.

The loan is secured by a negative pledge that imposes certain covenants on the company. The company undertakes to the bank that, save as expressly permitted by the bank in writing, it will not:

- create any mortgage or any fixed or floating charge or other security, over any of the Floating Charge Assets.
- sell, transfer, part with or dispose of any of the Floating Charge Assets except by way of sale in the ordinary course of business.

Company's Bank loan terms of repayment are 5 years and interest is payable at 2.85% plus official bank rate on the principal amount. years

The Group bank loan include aggregate amount of £157,873 (2023: 157,873) which falls due after five year and which are payable otherwise than by instalments Group's bank loan terms of repayment are 25 years and interest is payable at LIBOR plus 3.39%.

18. Provision for other liabilities

	Group	Company
	£	£
At 01 August 2023	583,098	568,198
Accelerated capital allowance	9,722	9,689
Other timing differences	(264,563)	(264,478)
At 31 July 2024	328,257	313,409

19. Share capital

			2024	2023
	Value	Number	2024	2023
Allotted, called up and fully paid	£		£	£
Ordinary A shares	1.000	57	57	57
Ordinary B shares	1.000	50	50	50
	107		107	107

There are two share classes, namely, Ordinary A shares and Ordinary B shares. Both share classes carry equal rights and there are no restrictions on the distribution of dividends and the repayment of capital, but the Ordinary B shares are not entitled to receive notice of, attend or vote at company's general meetings. There were no new shares issued/cancelled during the year ended 31 July 2024.

Revaluation reserve: This reserve is non-distributable which represents the accumulated change in fair value for the land and building.

Capital redemption reserve: The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

Profit and loss account: This reserve represents the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

20. Financial instruments

The company and group have the following financial instruments:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Financial assets at fair value through profit or loss				
Trade debtors	-	-	-	-
Other debtors	-	-	-	-
Cash at bank and in hand	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	1,621,528	1,514,964	1,516,416	1,387,141
Other debtors	370,266	171,160	38,700	43,726
Cash at bank and in hand	3,189,512	3,391,990	3,050,352	3,360,269
	<hr/>	<hr/>	<hr/>	<hr/>
	5,181,306	5,078,114	4,605,468	4,791,136
Financial liabilities measured at fair value through profit or loss				
Trade creditors	-	-	-	-
Bank loans	-	-	-	-
Other creditors	-	-	-	-
Accruals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Financial liabilities measured at amortised cost				
Trade creditors	192,845	249,578	139,687	191,400
Bank loans	4,127,142	4,282,557	3,968,958	4,124,373
Other creditors	129,703	36,038	100,842	26,241
Accruals	19,140	13,720	10,440	9,720
	<hr/>	<hr/>	<hr/>	<hr/>
	4,468,830	4,581,893	4,219,927	4,351,734

The total interest expense for financial liabilities that are not measured at fair value through profit or loss was:

	Group	
	2024	2023
	£	£
Interest expense	361,436	293,761
	<hr/>	<hr/>
	361,436	293,761

21. Pension commitments

The company and group contribute to the National Employment Savings Trust (NEST) for its employees as explained in the accounting policies above.

The amount recognised as an expense for the defined contribution scheme was:

	Group	
	2024	2023
	£	£
Current year contributions	46,510	37,332

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

22. Related party transactions

During the year the company has received a travelling, IT support & property related services of £300,128 (2023: £178,314) from the related parties, over which the company has the joint control and significance influence. The balance due from the related party as at 31 July 2024 is £NIL (2023: £NIL).

Transactions with key management personnel are disclosed in note 7.

23. Access participation plan

The college has an access and participation plan that has been approved by the OfS's director of fair access and participation.

Below is a breakdown of the company expenditure during the financial year by type:

Company and Group	2024	2023
	£	£
Access investment	95,354	102,713
Financial support provided to student	197,330	179,200
Research and evaluation	39,467	38,395
	<hr/>	<hr/>
	332,151	320,308
	<hr/>	<hr/>

The above amount includes £91,732 (2022: £73,555) staff cost which were incurred on the staffing resources required for the delivery of the access and participation activities.

The company's published access and participation plan can be found at <https://nelsoncollege.ac.uk/access-and-participation-plans>. Note that the plan covers academic years 2020-21 to 2024-25.

24. Notes to the Statement of Cash Flows

i. Reconciliation of profit to cash flow from operating activities

	Group	
	2024	2023
	£	£
Profit for the financial year	895,928	1,187,047
Tax on profit on ordinary activities	175,393	463,918
Other interest receivable and similar income	(17,277)	(11,533)
Interest payable and similar charges	<hr/>	<hr/>
	361,436	293,761
Operating profit	<hr/>	<hr/>
	1,415,480	1,933,193
Net fair value losses/(gains) recognised in profit or loss	270,000	506,255
Depreciation	375,810	445,453
Release of deferred capital grants	(57,830)	(71,607)
Working capital movements		
Increase in debtors	(226,198)	(1,065,397)
Increase in creditors	<hr/>	<hr/>
	646,260	159,593
	<hr/>	<hr/>
	2,423,522	1,907,490
	<hr/>	<hr/>

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

24. Notes to the Statement of Cash Flows (continued)

ii. Reconciliation of profit to cash flow from operating activities

	1 August 2023	Cash Flows	Non-Cash changes	31 July 2024
	£	£	£	£
Cash and cash equivalents				
Cash and cash equivalents	3,391,990	(202,478)	-	3,189,512
Debt due within one year	(178,565)	168,653	(158,702)	(168,614)
Debt due after one year	(4,103,992)	-	145,465	(3,958,527)
Net debt	(890,567)	(33,825)	(13,237)	(937,629)

iii. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group	
	2024	2023
	£	£
Cash at bank and in hand	3,189,512	3,391,990
	3,189,512	3,391,990

**Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024**

25. Business Combination

Acquisition of C4CHATGA LTD

On 24 November 2023, the group acquired control of C4Chatga Ltd through the purchase of 65.60% of the share capital for total consideration of £900,000.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book value	Fair value Adjustment	Fair value
	£	\$	£
<u>Fixed Assets</u>			
Investment Property	1,126,773	-	1,126,773
<u>Current Assets and Liabilities</u>			
Cash & Cash Equivalent	30,321	-	30,321
Other Debtors	210,346	-	210,346
Other Creditors	(493)	-	(493)
Total Identifiable net assets	1,366,947	-	1,366,947
Non-Controlling Interest			(466,947)
Goodwill			-
Total			900,000
<u>Consideration</u>			
Cash Paid			£
			900,000
			900,000
			900,000
The results of C4chatga Ltd since acquisition are as follows:			
Turnover			Current period since acquisition
Profit for the period since acquisition			£
			32,800
			21,177

Nelson College London Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2024

26. Contingent liabilities

Some of the Company's subsidiaries, as disclosed in note 14.1, have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006. For these subsidiaries, the Company has guaranteed all outstanding liabilities as at the year end, until they are settled in full. The liabilities of the subsidiaries at year-end were £28,850 (2023: £500).

27. Controlling Party

No individual shareholder holds a majority of voting rights. Therefore, there is no parent entity or ultimate controlling party by virtue of shareholdings.

28. General Information

Nelson College London Limited is an independent college of higher education specialising in business and hospitality management. The College currently offers HND programmes in Business and Hospitality Management, validated by Messrs Pearson and Foundation degrees and BA one-year "top-up" programmes validated by London Metropolitan University and Master level courses validated by London Metropolitan University.

Nelson College London Limited Registered number 05301926 is a private company limited by shares incorporated in England & Wales, United Kingdom. The Registered Office is 106 Olympics House, Clements Road, Ilford, Essex, IG1 1BA.

The group consist of Nelson College London Limited and all of its subsidiaries.