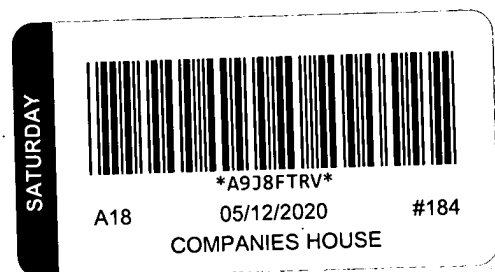


**NELSON COLLEGE LONDON LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**



Nelson College London Limited
Directors' Report and Financial Statements
For the Year Ended 31 July 2020

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Nelson College London Limited
Company Information
For the Year Ended 31 July 2020

Directors	Mr. Mohammed Nazim Uddin. Mr. Athiqul Islam Ms Coral Eileen Flanagan (Hill) Mr. Shirajul Islam
Company Number	05301926
Registered Office	106 Olympics House Clements Road Ilford Essex IG1 1BA
Accountants	SKZ Consulting Ltd Chartered Certified Accountants Unit1 Kataria Point 1Riches Road, Ilford IG1 1JH
Auditors	Accountax Consultants UK Limited The Basement, Goodmayes House 45-49 Goodmayes Road Ilford Essex IG3 9UF

Nelson College London Limited
Company No. 05301926
Strategic Report
For the Year Ended 31 July 2020

The directors present their strategic report for the year ended 31 July 2020.

Principal Activity

Nelson College London (NCL) is an independent college of higher education specialising in business and hospitality management courses. During the year under review the College offered 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.

Review of Business

The Board of Directors is pleased to report that in the year ended July 2020, the College has made excellent progress in achieving its aim to become a leading provider of a high-quality, career-focused HE institution in the Greater London area. The levels of student satisfaction in the areas relating to teaching, assessment and feedback, and academic support are exceptionally high. The continuation rates are above the benchmark, though we note that there are several challenges in relation to progression of students from studies to a highly skilled employment or further studies.

However, the College has launched a careers department within its Knowledge Exchange Centre, to provide students with the right skill set by holding workshops, virtual Employers’ Forum, creating how-to videos and nano learning moments. It will be the careers department’s responsibility to ensure student progression levels are achieved as set out within the College’s Access and Participation Plan. As a “widening access” College with an active mission to “offer access to higher education to people from the widest possible range of backgrounds” achieving a high progression rate will remain a challenge.

The College introduced a section within its Exit Survey which collected students’ views on whether their chosen course provided a value for money. Based on the given responses 87% of students stated that they were getting value for money from their courses. Also, on an average 87% of students have highlighted that their course has either added value or strengthened their current position in the society and/or gave them a better understanding of the economy.

The directors are committed to transforming the students’ lives through the acquisition of the knowledge and skills needed to succeed in their chosen careers. We are committed to ensuring that our students enjoy a learning environment that provides tailor-made learning opportunities through continuous assessment of learning needs. Our teaching quality has been recognised by the Teaching Excellence and Student Outcomes Framework (TEF) panel which awarded the College a TEF Silver award in June 2019. TEF is a national exercise which assesses excellence in teaching at universities and colleges, and how well they ensure excellent outcomes for their students in terms of graduate-level employment or further study.

As an Approved (Fee Cap) provider registered with the Office for Students (OfS), the independent statutory regulator of higher education in England, the College is no longer subject to a Student Number Control (SNC) and has accordingly enrolled a higher number of students which will further increase in coming years. Due to inflation, wage pressure and additional cost commitments to strengthen the College’s governance and management structure, the expenses have progressively increased. However, the Board of Directors of the College is delighted to report that the College’s financial performance remains strong and that it is in a financially sustainable position. Our financial strength gives security to our students and enables us to continue our programme of capital investment. The demand for our courses has remained strong from UK domiciled students from a wide range of backgrounds.

The registration with the OfS in an Approved (Fee Cap) category is a strategic success which will enable the College to achieve its future ambitions and growth targets. As an Approved (Fee Cap) provider the College has had access to public grant funding during the year and has received a grant from the Office for Student to invest in its teaching and learning activities to improve the student experience and outcomes. The College has measures in place to ensure such grants are spent exclusively for the purpose given and in compliance with their associated terms and conditions.

The growth in student numbers, as well as higher tuition fees per students, should result in higher income levels in the subsequent years. We would also expect expenditures to increase, albeit at a lower rate. With an approved Access and Participation Plan (APP), the College made a number of commitments and set for itself a wide range of targets in access, success and progression of its students. Therefore, we would expect the income, expenditures and net surplus figures to go up in the subsequent years. This will further strengthen our ability to give more security to our students.

The College has an approved Student Protection Plan which sets out students’ expectations from the College and provides them with protection should the College has failed to meet its obligations. The College has published its approved Access and Participation Plan and Students Protection Plan on the College website and will be working towards achieving the targets set within.

Nelson College London Limited
Company No. 05301926
Strategic Report (continued)
For the Year Ended 31 July 2020

The College is offering Masters level courses from the academic year 2020-21. As a result, the College will see growth in the number of students recruited from the academic year 2019-20. Currently, the College has no students from outside the EEA, and has no plans to recruit non-EEA students.

	2020	2019
Home and EU Students	1,133	983
Non-EU students	-	-

The College's Strategic Plan 2020-25 is closely aligned with the College's widening participation ambitions.

Value for Money

At Nelson College London, Value for Money means the optimal use of resources to achieve intended outcomes as demonstrated by internal and external metrics. To achieve that NCL aims to spend less, spend well and spend wisely. Therefore, in line with the National Audit Office (NAO) criteria, the College assesses the value for money of its expenditures using the following criteria:

- a. economy: minimising the cost of resources used or required (inputs) – spending less;
- b. efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
- c. effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

The College is committed to achieve Value for Money from all its activities through the best use of the resources available in order to achieve the desired output and maximise the benefit achieved from that output, in the interest of students, taxpayers and shareholders.

The College uses both external and internal metrics as measures for the intended outcomes or desired outputs. The external measures used by the College are externally collected such as the TEF metrics on student satisfaction with teaching, assessment and feedback (taken from the National Student Survey, NSS), continuation (retention) rates (taken from the Higher Education Statistics Agency, HESA) and a measurement known as Longitudinal Educational Outcomes data (LEO). There are other internal metrics based on the data the College collates and analyses, such as the Value for Money Score covering a range of socio-economic and well-being measures; and Employability Skills Gains metrics. The internal data for these two metrics in the survey are collected from students who have recently graduated from the College.

The College ensures that there are adequate and effective arrangements in place to secure value for money for students, taxpayers and other stakeholders.

The Audit Committee receives assurance that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It makes an independent judgment on the effectiveness of the College's value for money arrangements.

Students at Nelson College will find their fees employed effectively to provide a worthwhile student experience and there is data to support this conclusion.

The detailed assessment of the Value for Money was reported in a Value for Money report which was approved by the Directors. The College has uploaded a summarised version of the report in the form of a Value for Money Statement on its website.

Nelson College London Limited
Company No. 05301926
Strategic Report (continued)
For the Year Ended 31 July 2020

Financial Results

The College generated profit after tax of £1,484K (2019: £778K).

Key financial indicators:

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

	2020	2019
	£'000	£'000
Total Income	7,586	5,707
Profit before tax	1,789	965
Profit before tax as a proportion of total income	23.6%	16.9%

The position of company's business at the end of the year were as follows:

	2020	2019
	£'000	£'000
Total Equity	8,615	7,461
Total Net Current Assets	3,000	2,131

Revenue of the College is 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) require providers to have regards to the 'higher education senior staff remuneration code published by the CUC. For the accounting year ended on 31 July 2020, the Board of Directors can confirm that there were no staff, including the Directors and Principal, that had a total remuneration of over £100,000 per annum.

Principal Risks, uncertainties and Financial Risk Management

Nelson College London has in place Risk Registers which cover Corporate and Prevent; an Academic Risk register will be in place from the academic year 2020-21. The Risk Registers are regularly reviewed by the Audit Committee and the Principal's Executive Group as well as received by the Board of Governance and Board of Directors. Any changes to existing risks, including the impact, likelihood and mitigating actions are given full consideration and mitigating actions taken as needed. The Risk Registers include a system of scoring designed to assess the likelihood and impact of the risks identified. Each risk is assigned to a senior officer to 'own' and report on the risk and each is assigned to a committee/group for further oversight.

We have demonstrated our financial strength and our ability to recruit students and the most significant remaining potential risk concerns unforeseeable and adverse changes to the policy and regulatory environment. Our strongest mitigation against this risk is to perform to the highest expectations, thereby meeting all possible regulatory requirements.

The College is in a financially strong position in terms of liquidity where it expects to be able to meet all of its short and long term liabilities in the foreseeable future.

We are subject to the decisions and actions of the OfS which could potentially have a fundamental impact, albeit one that would take some time to crystallise. Our financial strength mitigates this risk and enables us to be sure that we could always teach-out our current cohort of students. We also continue to search for opportunities to diversify and expand our portfolio of taught programmes of study.

Approved by the Board and signed by its order by

Mr Athiqul Islam

Director

3 November 2020

Nelson College London Limited
Company No. 05301926
Directors' Report
For the Year Ended 31 July 2020

The directors present their report and the audited financial statements of the company for the year ended 31 July 2020.

Future Developments

The directors consider the future developments affecting the company 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 were as follows:

Mr. Mohammed Nazim Uddin
Mr. Athiqul Islam
Ms Coral Eileen Flanagan (Hill)
Mr. Shirajul Islam

Financial instruments

Please refer to the 'Principal risks, uncertainties and financial risk management' section of the strategic report on page 4.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' 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 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 company and of the profit or loss of the company 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 company will continue in business.

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

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Going concern

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

Nelson College London Limited
Company No. 05301926
Directors' Report (continued)
For the Year Ended 31 July 2020

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

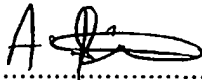
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

Each of the directors 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's auditors are unaware. They also confirm that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Accountax Consultants UK 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


.....

Mr Athiqul Islam

Director

30 November 2020

Nelson College London Limited
Company No. 05301926
Statement of Corporate Governance
For the Year Ended 31 July 2020

Nelson College London is governed by the Board of Directors (BoD) and its sub-committees in line with the regulations set out in the Company Memorandum and Articles of Association. The BoD is responsible for the statutory oversight of the College to ensure that it meets the laws and regulations of a company limited by shares, the regulations of its regulator and awarding bodies and the expectations of its students, staff and shareholders.

The governance arrangements of the College aim to meet the expectations of the UK higher education sector, in the core values and primary elements of governance as set out in the Higher Education Code of Governance, published by the Committee of University Chairs (CUC).

The Board of Directors has appointed a Principal and has also established a Board of Governance (BoG), Audit Committee and Academic Board (AB). The Principal and the Academic Board are in turn supported by a range of committees and steering groups.

Although ultimate decision-making lies with the Board of Directors, in practice all decisions relating to the management and practical operation of the College are taken jointly or in consultation with the committees of the BoD.

The BoG takes the lead in setting strategy, objectives and monitoring of performance and academic governance. It also scrutinises the entire academic operation of the College, receiving reports and ancillary documents as necessary. The Audit Committee scrutinises the arrangements for risk management, external audit and securing Value for Money (VFM).

The Board of Directors, working with the Board of Governance and the Audit Committee, confirms that it is committed to demonstrating strong leadership and stewardship in relation to the governance of the College, and in doing so, help to protect the institutional reputation and provide a level of assurance to key stakeholders, partners including the student community, and society more widely.

The Board of Directors of Nelson College London Ltd ensures that there are adequate and effective arrangements in place to ensure public funds are managed appropriately, in line with the conditions of the grant and the principles of regularity propriety and value for money, and to protect the interests of taxpayers and other stakeholders.

The College is also in receipt of grants which are closely monitored and allocated appropriately. A grant audit will also be conducted to ensure that the grant has been allocated in line with the terms of the grant.

The Articles of Association set out the provision to establish the Audit Committee which has the expertise and the time to examine risk management under delegation from the Board of Directors. Its role extends to various areas of College's activity including advising and making recommendations to the Board of Directors on the appropriateness of the control systems, risk management processes and tools, processes for promoting value for money (VFM) and the management and quality assurance of data.

The Company's governance framework has built-in checks to ensure regularity, propriety and value for money. The Audit Committee receives assurance that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It makes an independent judgment on the effectiveness of the Company's value for money arrangements. Its annual report includes its opinion on the appropriateness of the arrangements for promoting economy, efficiency and effectiveness.

To achieve regularity, propriety and VFM, the Company's governance arrangements are laid out based on appropriate segregation of duties, so that no single individual has unfettered power. Collective scrutiny is achieved by joint work between the Board of Directors, Board of Governance and Audit Committee.

The Audit Committee ensures mechanisms are in place for achieving the VFM. The Audit Committee ensures that regularity is maintained for all items of expenditure and receipts to be dealt with in accordance with the UK Generally Accepted Accounting Principles and that the expenses incurred present a true and fair view and that the expenses were exclusively and necessarily incurred for the essential activities of the Company and the College.

As with public procurement of goods and services, Company procurements are based on value for money, having due regard to propriety and regularity. Value for money is defined as the optimum combination of whole life costs and quality.

The Company is committed to achieving value for money from all its activities through the best use of the resources available in order to achieve the desired output and maximise the benefit achieved from that output, in the interest of students, taxpayers and shareholders.

The Company's approach to VFM takes account of quality and fitness for purpose to determine whether goods and services represent good value. The Company is committed to spending well and spending wisely to achieve excellent student outcomes. This is regularly monitored by the Audit Committee who approve the VFM report which allows the College to evaluate VFM mechanisms.

Nelson College London Limited
Company No. 05301926
Statement of Internal Controls
For the Year Ended 31 July 2020

Risk management system

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

The Audit Committee and the Board of Directors ensure that the College 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 College's operation.

The Risk Management Framework covers all risks affecting the College, including corporate, operational, regulatory, compliance and academic risks. The College, therefore, maintains three separate risk registers: Corporate, Academic and Prevent covering all the risks. Each Risk Register identifies clear ownership of the individual risks with identifiable milestones and achievements. The Risk Registers are reviewed by the Audit 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, managing and monitoring the academic risks. In respect to risk management, the Academic Board provides a yearly report to the Board of Governance and a copy of which is also provided to the Audit Committee.

Internal Control Systems

As per the College Articles of Association, the Audit Committee's responsibility extends to various College's activity including advising and making recommendations to the Board of Directors on the appropriateness of the control systems, risk management processes and tools, processes for promoting Value for Money and the management and quality assurance of data.

The Audit Committee reports to the Board of Directors and produces an annual report with an opinion on the effectiveness of risk management, internal control and corporate governance.

The internal control arrangements ensure that public funds received are spent consistently and in strict accordance with the purposes for which those funds were given. The College's governance framework has built-in checks to ensure regularity, propriety and Value for Money. To achieve regularity, propriety and Value for Money, the College's governance arrangements are laid out based on appropriate segregation of duties, so no single individual has unfettered power. Internal control is collectively scrutinised by the Board of Directors, Board of Governance and Audit Committee. Additionally, the Audit Committee receives assurance that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

The College ensures that regularity is maintained for all items of expenditure and receipts to be dealt with following the UK Generally Accepted Accounting Principles and that the expenses incurred present a true and fair view and that the expenses were exclusively and necessarily incurred for the essential activities of the Company and the College.

Confirmation of Assessment of Principal Business Threats

Due to the severe global health risks posed by Covid-19, the College acted well before the lockdown as it was anticipated that Covid-19 would have a significant impact on its operation, staff and students.

In addition to the regular risk registers- corporate (which covers financial, operational and compliance risk), prevent and academic risks- the College introduced the COVID-19 Contingency Plan to identify the business threats. The College's Audit Committee met and approved the updated risk registers and the COVID-19 Contingency Plan which identified the risks and actions to mitigate the impact of these risks.

Outlined below is a description of the principal risk factors that the Board of Directors have considered in its assessment. Not all the factors are within management's control and other factors besides those listed below could affect.

1. Brexit Risk

Although the UK has formally left the EU on 31 January 2020, the terms of the post-Brexit relationship are under negotiations during the transition period which is due to end on 31 December 2020. The political risk will have ramifications on the College for the future supply chain of EU student enrolment, employee recruitment and retention along with UK economic growth and uncertainty in the property markets.

To mitigate the risks, the College has invested more on its recruitment and admission team, widening participation and outreach activities, and established relationships with multiple ethnic communities in the UK.

To address the Brexit risks the College is committed to maintaining its high standard of education, invested in personalised learning and technology so that non-traditional and mature students find the College and its courses attractive.

Nelson College London Limited
Company No. 05301926
Statement of Internal Controls (continued)
For the Year Ended 31 July 2020

The College will closely monitor the economic outlook caused by Brexit and will maintain flexible resources available so that the College can respond to changes in economic conditions.

2. Compliance and regulatory risk

The College operates in a highly regulated sector where changes to Government policy, such as changes to the student fees or the availability of student funding, can have an impact on our business. The business continues to provide all relevant information to the Office for Students (OfS) and the Higher Education Statistics Agency (HESA).

The College has had its governance review in 2019 and has brought several changes such as an articulated governance structure, policies and procedures. These documents are regularly reviewed against the Quality Assurance Agency (QAA) Quality Code and Office for Students (OfS) conditions of registration to ensure compliance.

3. Covid-19 risk:

The College understood the uncertainties of the rapidly spreading Covid-19 across Europe and in the UK. To ensure the College's operation was not significantly impacted by Covid-19, the College produced a Covid-19 Operational Contingency Plan (COCP). The plan identified risks affecting the College's operations and health and well-being of our students and staff which was a priority. The College undertook several actions to ensure that its campuses did not become a source of Covid-19 and the staff and students' attendance and productivity levels remained high during the social distancing measures. The College diverted a significant amount of its resources to migrate to an online environment during that period and it had invested in its IT infrastructure so that both the staff and students were able to take part in academic and operational activities remotely.

Governance and Management Review

This financial year the College held a governance review whereby an independent external reviewer met with relevant members and reviewed key documents against regulatory guidance to ensure governance and management arrangements are efficient and effective. The report found that the College is well-managed and is following the guidance set by the Office for Students, the Higher Education Code of Governance and other relevant materials. The report has suggested some recommendations which the College took on board and published its response on the College website. This review has enabled the college to further strengthen its Governance arrangement and the College has made relevant changes where possible.

**Nelson College London Limited
Independent Auditor's Report
For the Year Ended 31 July 2020**

Opinion

In our opinion, Nelson College London Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its 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.

We have audited the financial statements, included within the Annual Report, which comprise the Profit and Loss Account and statement of comprehensive income, Balance Sheet as at 31 July 2020, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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, Statement of Corporate Governance and Internal Controls and, in doing so, consider 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.

Nelson College London Limited
Independent Auditor's Report(continued)
For the Year Ended 31 July 2020

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 2020 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 company for specific purposes have been properly applied to those purposes and 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
- funds reserved for access and participation plan have been applied in accordance with the terms approved by the OfS's director of fair access and participation
- the requirements of the OfS's accounts direction have been met.

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 5, 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 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 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Nelson College London Limited
Independent Auditor's Report(continued)
For the Year Ended 31 July 2020**

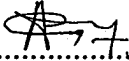
Other required reporting

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 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility



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Ghafoor Ahmad (Senior Statutory Auditor)

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

Chartered Certified Accountant and Registered Auditors

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

Date: 30 November 2020

Nelson College London Limited
Profit and Loss Account and Statement of Comprehensive Income
For the Year Ended 31 July 2020

		2020	2019
	Notes	£	£
TURNOVER	2	7,585,665	5,707,064
Cost of sales		(1,533,018)	(1,201,863)
GROSS PROFIT		6,052,647	4,505,201
Administrative expenses		(4,702,795)	(3,796,462)
Other operating income		470,426	291,423
OPERATING PROFIT	3	1,820,278	1,000,162
Other interest receivable and similar income		1,438	1,222
Interest payable and similar charges	7	(32,548)	(36,574)
PROFIT BEFORE TAXATION		1,789,168	964,810
Tax on Profit	8	(305,219)	(187,180)
PROFIT FOR THE FINANCIAL YEAR		1,483,949	777,630

Statement of comprehensive income

		2020	2019
		£	£
PROFIT FOR THE FINANCIAL YEAR		1,483,949	777,630
OTHER COMPREHENSIVE INCOME:			
Surplus of revaluation of the land and buildings		-	79,163
Deferred tax relating to revaluation of the land and buildings	8	(1,583)	(13,458)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	15	(1,583)	65,705
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,482,366	843,335

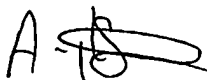
The notes on pages 18 to 29 form part of these financial statements.

Nelson College London Limited
Balance Sheet
As at 31 July 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	9		3,410,222		3,177,700
Investment property	9		3,311,874		3,311,874
Investment	10		127,200		127,200
			<u>6,849,296</u>		<u>6,616,774</u>
CURRENT ASSETS					
Debtors	11	83,612		217,342	
Cash at bank and in hand		<u>4,171,626</u>		<u>2,278,989</u>	
		<u>4,255,238</u>		<u>2,496,331</u>	
Creditors: Amounts Falling Due Within One Year	12	<u>(1,255,353)</u>		<u>(365,377)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>2,999,885</u>		<u>2,130,954</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,849,181</u>		<u>8,747,728</u>
Creditors: Amounts Falling Due After More Than One Year	13		<u>(1,206,010)</u>		<u>(1,261,737)</u>
PROVISIONS FOR LIABILITIES					
Provision for other liabilities	14		<u>(27,921)</u>		<u>(24,982)</u>
NET ASSETS			<u><u>8,615,250</u></u>		<u><u>7,461,009</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		107		114
Revaluation reserve	15		64,122		65,705
Capital redemption reserve	15		43		36
Profit and Loss Account	15		8,550,978		7,395,154
SHAREHOLDERS' FUNDS			<u><u>8,615,250</u></u>		<u><u>7,461,009</u></u>

Nelson College London Limited
Balance Sheet (continued)
As at 31 July 2020

On behalf of the board



30 November 2020
Mr Athiqul Islam
Director

The notes on pages 18 to 29 form part of these financial statements.

Nelson College London Limited
Statement of Changes in Equity
For the Year Ended 31 July 2020

	Note	Share Capital £	Revaluation Reserve £	Capital Redemption Reserve £	Profit and Loss Account £	Total £
As at 1 August 2018	15	136	-	14	7,648,774	7,648,924
Profit for the year and total comprehensive income		-	65,705	-	777,630	843,335
Purchase of own shares		-	-	22	(1,031,250)	(1,031,228)
Share capital reduction		(22)	-	-	-	(22)
As at 31 July 2019 and 1 August 2019		114	65,705	36	7,395,154	7,461,009
Profit for the year and total comprehensive income		-	(1,583)	-	1,483,949	1,482,366
Purchase of own shares	15	-	-	7	(328,125)	(328,118)
Share capital reduction	15	(7)	-	-	-	(7)
Total transactions with owners, recognised directly in equity		(7)	-	7	(328,125)	(328,125)
As at 31 July 2020		107	64,122	43	8,550,978	8,615,250

Nelson College London Limited
Statement of Cash Flow
For the Year Ended 31 July 2020

		2020 £	2019 £
	Note		
Net Cash from operating activities	21	2,833,510	1,063,820
Taxation paid		(175,656)	(257,817)
NET CASH GENERATED FROM OPERATING ACTIVITIES		2,657,854	806,003
 Cash flow from investing activities			
Purchase of tangible fixed assets	9	(356,580)	(178,592)
Interest received		1,438	1,222
NET CASH USED IN INVESTING ACTIVITIES		(355,142)	(177,370)
 Cash flow from financing activities			
Bank loan and overdraft		(49,402)	(47,290)
Interest paid	7	(32,548)	(36,574)
Repurchase of own shares	15	(328,125)	(1,031,250)
NET CASH USED IN FINANCING ACTIVITIES		(410,075)	(1,115,114)
 Net increase/(decrease) in cash		1,892,637	(486,481)
Cash and cash equivalents at beginning of year		2,278,989	2,765,470
CASH AND CASH EQUIVALENTS AT END OF YEAR		4,171,626	2,278,989

Nelson College London Limited
Notes to the Financial Statements
For the Year Ended 31 July 2020

1. Accounting Policies

1.1. Statement of compliance

The financial statements of Nelson College London Limited 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 (£)

1.2. 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 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 1.16.

1.3. 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 ability to continue as a going concern.

The company meets its day-to-day working capital requirements through its operating cash flow.

After reviewing the company's 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 company therefore continues to adopt the going concern basis in preparing its financial statements.

1.4. 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.

1.5. Tangible Fixed Assets and Depreciation

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

Freehold 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.

1.6. 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.

1.7. Leased assets

At inception the company assesses 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.

1.8. 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 period 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.

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

1.9. 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 period.

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 period 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 period 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 period. 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 period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related 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.

1.10. Pensions

The company contributes 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.

1.11. Other operating income

Other operating income includes rental income, service charges and government support in relation to corona virus job retention scheme (CJRS).

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.

1.12. Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.13. Investment in associates

Investment in an associate is held at cost less accumulated impairment losses.

1.14. 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.

1.15. 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.

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

1.16. Critical accounting estimates and assumptions

The company makes 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 9 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

2. Details of Grant and Fee income

Analysis of turnover by principal activities is as follows:

	2020	2019
	£	£
Fee income from non-qualifying courses	7,023,048	5,707,064
Grant Income from the OfS	562,617	-
	<u>7,585,665</u>	<u>5,707,064</u>

3. Operating Profit

The operating profit is stated after charging:

	2020	2019
	£	£
Directors' remuneration	232,321	264,364
Audit fees (Statutory)	5,800	5,800
Audit fees (Grant)	1,000	-
Depreciation of tangible fixed assets	<u>124,058</u>	<u>37,346</u>

4. Staff Costs

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

	2020	2019
	£	£
Wages and salaries	1,675,940	1,537,989
Social security costs	155,021	143,636
Other pension costs	25,971	17,406
	<u>1,856,932</u>	<u>1,699,031</u>

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

	2020	2019
	£	£
Salary	42,583	41,375
Pension contribution	1,093	796
	<u>43,676</u>	<u>42,171</u>

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

4. Staff Costs (continued)

The head of the provider's basic salary is 1.6 times 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 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.

The Principal of the College has a permanent full-time contract with the College. However, he has no fixed hours of work, but is expected to devote to his Nelson College duties the time needed to fulfil his contractual obligations. Accordingly, his contract of employment provides him with a flexible working policy giving him a great deal of autonomy and control over his daily schedule and work-life balance. As a former pro-vice chancellor with a formidable record of publications and public service, we believe this creates a mutually beneficial relationship between him and the College.

For the accounting period ending on 31 July 2020, there were no staff, including the directors and Principal, that had a total remuneration 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:

	2020	2019
	£	£
Salaries and other short-term benefits	304,029	339,872
Post-employment benefits	4,600	3,724
	<u>308,629</u>	<u>343,596</u>

Board of Governors remuneration

External members of the board have received remuneration from the group during the year of £43,141 (2019: £39,659). No expenses were paid to or on the behalf of the external board members.

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

5. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2020	2019
Office and administration	56	54
Sales, marketing and distribution	8	3
	<u>64</u>	<u>57</u>

6. Directors' remuneration

	2020	2019
	£	£
Emoluments	228,815	261,435
Company contributions to money purchase pension schemes	3,506	2,929
Sums paid to third parties for directors' services	7,600	6,000
	<u>239,921</u>	<u>270,364</u>

During the year, retirement benefits were accruing to 3 directors (2019: 3) in respect of money purchase schemes

7. Interest Payable

	2020	2019
	£	£
Bank loan and overdraft	32,548	36,574
	<u>32,548</u>	<u>36,574</u>

8. Income Tax

a. Tax expense included in profit or loss

	Tax Rate		2020	2019
	2020	2019	£	£
Current tax:				
UK Corporation Tax	19.0	19.0	303,863	175,656
Total Current Tax Charge			<u>303,863</u>	<u>175,656</u>
Deferred tax:				
Origination and reversal of timing differences			1,356	11,524
Total Deferred Tax Charge			<u>1,356</u>	<u>11,524</u>
Total tax expense included in Profit and Loss account			<u>305,219</u>	<u>187,180</u>
b. Tax expense included in other comprehensive income				
Current tax			-	-
Deferred tax			1,583	13,458
Total tax expense included in other comprehensive income			<u>1,583</u>	<u>13,458</u>

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

8. Income Tax (continued)

c. Tax expense included in equity

	2020	2019
	£	£
Current tax	-	-
Deferred tax	1,583	13,458
Total tax expense included in equity	1,583	13,458

d. Reconciliation of tax charge

Tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK for the year ended 31 July 2020 of 19.00% (2019: 19.00%). The differences are explained below

	2020	2019
	£	£
Profit before tax	1,789,168	964,810
Breakdown of Tax Charge is:		
Tax on profit at 19% (UK standard rate)	339,942	183,314
Depreciation not allowed for tax	23,571	7,096
Expenses not deductible for tax purposes	8,101	8,114
Capital allowances	(67,751)	(9,987)
Other timing differences	1,356	(1,357)
Total tax charge for the period	305,219	187,180

Legislation was substantively enacted during the year to repeal the reduction of the main corporation tax rate, thereby maintaining 19.00% throughout the financial year. Accordingly, the deferred taxes at the balance sheet date have been measured using the enacted tax rate of 19.0% (FY19: 17.00%).

9. Tangible Assets

	Land & Building	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
As at 1 August 2019	3,126,028	187,740	475,485	3,789,253
Additions	-	270,246	86,334	356,580
As at 31 July 2020	3,126,028	457,986	561,819	4,145,833
Depreciation				
As at 1 August 2019	-	160,152	451,401	611,553
Provided during the period	-	80,520	43,538	124,058
As at 31 July 2020	-	240,672	494,939	735,611
Net Book Value				
As at 31 July 2020	3,126,028	217,314	66,880	3,410,222
As at 1 August 2019	3,126,028	27,588	24,084	3,177,700

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

9. Tangible Assets (continued)

	Investment Properties £	Total £
As at 1 August 2019	3,311,874	3,311,874
Revaluation	-	-
As at 31 July 2020	<u>3,311,874</u>	<u>3,311,874</u>

The investment properties were assessed for fair value by the directors of the company by performing the following steps:

- making enquiries with the local property agents
- reviewing the published official data such as housing pricing index
- taking into consideration the rental yields generated by the properties, and;
- taking into consideration the current economic conditions

Based on the above, the directors conclude that the current carrying value of investment properties reflects the fair value of the investment properties.

10. Investments

	2020 £	2019 £
Total investments comprise:		
Interest in associates	127,200	127,200
	<u>127,200</u>	<u>127,200</u>

	Unlisted £
Cost	
As at 1 August 2019	127,200
As at 31 July 2020	<u>127,200</u>
Provision for impairment	
As at 1 August 2019	-
As at 31 July 2020	<u>-</u>
Net Book Value	
As at 31 July 2020	<u>127,200</u>
As at 1 August 2019	<u>127,200</u>

	Share of net assets £	Total £
At 1 August 2019	133,785	133,785
Share of profit for the year after taxation	56,984	56,984
At 31 July 2020	<u>190,769</u>	<u>190,769</u>

The above shows the financial information of Nelson London Ventures Limited and the effects if it was accounted for using the equity method. The carrying value is materially consistent with the above share of the associate, hence based on that and the fact that the entity is profit making, the directors do not believe that the investment is impaired, hence no adjusted is made to the carrying value, which is recognised at cost.

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

11. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	4,000	52,915
Prepayments and accrued income	43,325	71,529
Other debtors	31,487	88,098
	<u>78,812</u>	<u>212,542</u>
Due after more than one year		
Other debtors	4,800	4,800
	<u>4,800</u>	<u>4,800</u>
	<u>83,612</u>	<u>217,342</u>

12. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	801,841	90,487
Bank loan and overdraft	53,615	47,290
Corporation tax	303,882	175,675
Other creditors	11,698	11,636
Accruals and deferred income	84,317	40,289
	<u>1,255,353</u>	<u>365,377</u>

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

	2020	2019
	£	£
Bank loans	1,206,010	1,261,737
	<u>1,206,010</u>	<u>1,261,737</u>

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

14. Provision for other liabilities

	Deferred tax provision	Total
	£	£
At 1 August 2019	24,982	24,982
Charge to the profit and loss account	1,356	1,356
Charge to the other comprehensive income	1,583	1,583
	<u>27,921</u>	<u>27,921</u>
At 31 July 2020	<u>27,921</u>	<u>27,921</u>

The deferred tax liability relates to the increase in the fair value of the investment properties and land and building.

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

15. Share Capital and other reserves

	2020	2019
Allotted, called up and fully paid	107	114

	Value	Number	2020	2019
	£		£	£
Allotted, called up and fully paid				
Ordinary A shares	1.000	57	57	64
Ordinary B shares	1.000	50	50	50
		114	107	114

	Nominal value	Number	Amount
	£		£
Shares disposed during the period:			
Ordinary A shares	1.000	(7)	(7)

During the Year ended 31 July 2020, the company purchased and cancelled 7 ordinary shares at a cost of £328,125. There were no new shares issued during the year. 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.

Other reserves

Other reserves consist of the following:

	Revaluation Reserve	Capital Redemption Reserve	Profit and Loss Account
	£	£	£
As at 1 August 2018	-	14	7,648,774
Profit for the year and total comprehensive income	65,705	-	777,630
Purchase of own shares	-	22	(1,031,250)
As at 31 July 2019 and 1 August 2019	65,705	36	7,395,154
Profit for the year and total comprehensive income	(1,583)	-	1,483,949
Purchase of own shares	-	7	(328,125)
As at 31 July 2020	64,122	43	8,550,978

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 2020

16. Financial Instruments

The Company has the following financial instruments:

Financial assets at fair value through profit or loss

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	4,000	52,915
Other debtors	36,287	92,898
	<u>40,287</u>	<u>145,813</u>
	2020	2019
	£	£
Financial liabilities measured at amortised cost		
Trade creditors	801,841	90,487
Bank loans and overdrafts	1,259,625	1,309,027
Other creditors	11,405	11,636
Accruals	84,317	11,800
	<u>2,157,188</u>	<u>1,422,950</u>

17. Pension Commitments

The company contributes 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:

	2020	2019
	£	£
Current year contributions	<u>25,971</u>	<u>17,406</u>

18. Related Party Transactions

Transactions with associates

During the year the company received services from Nelson London Ventures Limited of £353,590 (2019: £381,051), which is recognised in administration expenses. At the year-end £ 56,190 (2019: £Nil) was outstanding and included within trade creditors.

19. Controlling Party

The company's controlling party is Mrs. Sabina Mujib by virtue of her ownership of 32.7% (2019: 30.7%) of the issued share capital in the company.

20. 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 expenditure during the financial year by type:

	2020	2019
	£	£
Access Investment	13,691	-
Financial support provided to student	133,701	-
	<u>147,392</u>	<u>-</u>

Nelson College London Limited
Notes to the Financial Statements (continued)
For the Year Ended 31 July 2020

21. Notes to the Statement of Cash Flow

	2020	2019
	£	£
Profit for the financial year	1,483,949	777,630
Tax on profit on ordinary activities	305,219	187,180
Other interest receivable and similar income	(1,438)	(1,222)
Interest payable and similar charges	<u>32,548</u>	<u>36,574</u>
Operating profit	1,820,278	1,000,162
Net fair value gains recognised in profit or loss	-	(67,790)
Depreciation	124,058	37,346
Working capital movements		
Decrease in debtors	133,730	30,805
Increase in creditors	<u>755,444</u>	<u>63,297</u>
	<u>2,833,510</u>	<u>1,063,820</u>

22. 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.

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