

Registered number: 07317195
Charity Number: 1189858

NCH AT NORTHEASTERN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NCH AT NORTHEASTERN LIMITED

Board of Trustees at report date	Dr Deanna Ranieri Dr Kenneth Henderson – resigned 25 th January 2022 Ralph Martin II (former Chairman) – resigned 25 th January 2022 Patricia Wood Thomas Nedell (Chairman from 25 th January 2022) Darren Campili Robert Farquharson (appointed 9 April 2021) Trustee & CEO Julietta Tenant-Dexter (appointed 29 October 2021) – non exec Jonathan Goodwin (appointed 29 October 2021) – non exec Anthony Grayling (resigned 9 April 2021) Dr Gregory Abowd (appointed 25 th January 2022) Diane MacGillivray (appointed 25 th January 2022)
Key Management Personnel	Robert Farquharson (Chief Executive Officer) Martin Smith (Assistant Vice President for Recruitment and Marketing for Global Campuses) Rosalind Barrs (Registrar) Vanessa Carreras (Director of Finance, promoted Feb 2021) Naomi Goulder (Dean for Academic Development and Innovation and interim Dean of Faculties) Rebecca Morrison (Director of Student Services) Elizabeth O'Connell (Director of Admissions, Recruitment & Marketing) Sheena Van Der Merwe (Director of Resources & Operations) Scott Wildman (Assistant Vice President for Digital Innovation & Enterprise Learning) Andrew Ginger (Dean of Faculties) – resigned 24 th September 2021
Registered Company number	07317195
Registered Charity Number	1189858
Registered Office Address	Devon House, 58 St Katharine's Way, London E1W 1LP
Independent Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank plc 1 Churchill Place London, E14 5RB
Solicitors	Eversheds Sutherland (International) LLP 5 th Floor, 50/60 Station Road Cambridge, CB1 2JH

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The Trustees (who are Trustees of the charitable company) present their Annual Report for the year ended 30 June 2021 under the Charities Act 2011, including the Trustee's and Strategic Reports under the Companies Act 2006, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Charities Act 2011 and the Charities SORP 2015.

On 9th June 2020 NCH at Northeastern Limited (NCHNL) became a Registered Charity (registered charity number 1189858).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The College is governed by its Memorandum and Articles of Association, last amended on 6 April 2021.

Governing Body

The NCHNL Board of Trustees ('The Board') is the statutory board of the legal entity, NCH at Northeastern Limited ('NCHNL') owns the brand 'New College of the Humanities' as well as its subsidiary New College of the Humanities Limited ('NCHL') and through which the College operates, including its relationship with regulatory bodies and partner organisations. NCHNL Board is a limited liability company established under English and Welsh law. For the purposes of these financial statements the Trustees are referred to as Trustees.

Recruitment and Training of Trustees

The Trustees roles are filled differently. There are five Trustees appointed by Northeastern University. The Master was an appointed ex officio Trustee, and resigned from the role in April 2021. The non-executive Trustees are recruited and appointed by the nominations committee of the NCHNL Board. The College uses a Skills Matrix to identify potential gaps prior to recruiting new Trustees.

The training of the Trustees depends on each individual's area of expertise but common areas of training would include English Higher Education Regulation and English law. This training is done either as part of the Board meetings or as required.

Organisational Management

The Board is legally responsible for the overall management and control of the College and, as such, has oversight and management of the strategic, financial and operational areas of the College's activities and all other aspects of the College's existence save for responsibilities delegated to the Academic Board in respect of the regulating and directing of the academic work of the College, including teaching (undergraduate and postgraduate degrees as well as degree apprenticeship programmes) and research.

The Board has ownership, oversight and management of the regulatory responsibilities and relationships of the College. In areas of academic procedures and policies it acts, as necessary, as the conduit for Academic Board (which has no separate legal standing) with the relevant regulatory body.

NCHNL Board may establish such committees as it considers necessary to carry out its responsibilities. The number of members of any such committee and the terms on which they hold and vacate office shall be determined by the Board. Reports (at least annually) from these committees shall be received and considered by the Board where appropriate.

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The Board meets four times a year, and is supported by the following committees:

- The Executive Committee (ExCo) is Chaired by the CEO and ensures there is effective leadership and management of all the activities undertaken by the College and provides a link between the Board and the senior management. It ensures that the strategic priorities as outlined in the NCH Strategic Plan are being met through the operational execution of Academic Board and the Senior Management Team. ExCo supplies the Board with reports, draft budgets and accounts, and reports on risk management. ExCo meets on a fortnightly basis.
- The Audit Committee (AC) was established to review audit policy, internal procedures and assurance on the use of public funds on behalf of the Board including the recommendation on auditors presented to the Board. Audit Committee meets at least once a year.
- The Remuneration Committee (RemCo) was established to determine and apply policy on behalf of the Board to remuneration and benefits, to ensure compliance with best practice in the UK and to set the remuneration of the executive members of College as set out in the Articles. In determining senior management remuneration, RemCo consider several factors, including performance and sector averages. In the year a benchmarking exercise was completed by a third party using data from the Universities and Colleges Employers Association (UCEA). This committee meets twice a year. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with similar institutions to ensure that the College remains informed to broader issues of pay and employment terms and conditions.
- The Nominations Committee (NC) was established to review and approve appointment of members to the Board as well as the removal/appointment of the Master and CEO.
- The Academic Board (AB) is the academic authority of the College and takes such measures as shall best promote the academic and professional work of the College, safeguard standards, academic freedom, and ensure that students receive a high-quality academic experience while studying at the College. This academic authority is exercised within a budgetary and strategic framework set by NCHNL Board.

In accordance with the Articles of Association, the Board has the power to delegate responsibility (but not accountability) to committees, directors, and the management of the College.

ExCo is responsible for proposing and delivering the College's strategy, and for managing the day-to-day activities, operations and resources of the College. The CEO chairs the meetings of the Senior Management Team (SMT), which reports to ExCo.

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The College's ability to deliver its charitable purpose and objectives is primarily dependent on its key management personnel (KMP) and staff. Below is a table listing all Trustees and key management personnel and their committee membership.

Name	Role*	The Board	ExCo	AC	RemCo	NC	AB	SMT
Dr Gregor Abowd	Trustee	X		X	X	X		
Rosalind Barrs	KMP						X	X
Darren Campili	Trustee	X		X	X	X		
Vanessa Carreras	KMP							X
Robert Farquharson	Trustee	X	X	X	X	X		X
Andrew Ginger (resigned)	KMP		X	X	X			
Jonathan Goodwin	Trustee	X		X	X	X		
Naomi Goulder	KMP		X				X	
Dr Kenneth Henderson (resigned)	Trustee	X		X	X	X		
Ralph Martin II (resigned)	Trustee	X		X	X	X		
Diane MacGillivray	Trustee	X		X	X	X		
Rebecca Morrison	KMP						X	X
Thomas Nedell	Trustee	X		X	X	X		
Elizabeth O'Connell	KMP							X
Dr Deanna Ranieri	Trustee	X	X	X	X	X		
Martin Smith	KMP		X					X
Julietta Tenant-Dexter	Trustee	X		X	X	X		
Sheena Van Der Merwe	KMP				X			X
Scott Wildman	KMP		X				X	X
Patricia Wood	Trustee	X		X	X	X		

Structure and relationships

The company was incorporated on 16 July 2010 as Grayling Hall Limited. Since incorporation the company has had three name changes;

- 23 February 2011 - New College of the Humanities Limited
- 6 March 2012 - Tertiary Education Services Limited
- 21 February 2019 - NCH at Northeastern Limited

On 19th February 2019 the issued share capital in the College was purchased by Northeastern University, (an educational institution incorporated under the laws of the Commonwealth of Massachusetts, United States, being a non-stock, non-profit educational charity with tax exempt status under section 501(c)(3) of the United States Internal Revenue Code, of 360 Huntington Avenue, Boston, MA 02115, United States). As a result of this transaction the company is now a wholly owned subsidiary of Northeastern University. Following the change in ownership the company was renamed 'NCH at Northeastern Limited'.

An application for Charity Status was submitted in March 2019 to the Charity Commission. This was granted on 9th June 2020, charity number 1189858. Following the award of charitable status the College is now controlled by the Board.

Subsidiaries & Linked Charities

The College has a wholly owned non-charitable subsidiary, New College of the Humanities Limited (NCHL) (company number 07917776) registered in England and Wales and limited by shares. This company was responsible for the provision of the Masters degree awarded by Swansea University, under a validation agreement, which came to an end last year when the College obtained its own Taught Degree Awarding Powers. There were minor accounting transactions in the year but for all intents and purposes this entity was dormant and it is expected that it will continue in a dormant state for the foreseeable future. This company is not consolidated on the grounds of immateriality.

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The College also has an associated charity, New College of Humanities Trust (Trust)(charity number 1141608), which was a separate educational charity whose objectives are to award financial support or rewards to students at the College. It had three Trustees two of which are Trustees of the College and one who is an employee of Northeastern University. During the year the Trustees decided that the activities of the Trust could be continued within the College and the Trust can be closed. Accordingly, the remaining assets of the Trust were transferred to the College where they have been recognised as a separate restricted fund which will be disbursed in line with Trust objectives.

Risk Management

The Risk Management Strategy is designed to support this mission by assessing and managing the risks to the College achieving its stated mission and to ensure that the College is also protecting its stakeholders to which it has responsibilities, such as students, staff, funding bodies, partners, suppliers and the general public. This strategy forms part of the College's control and governance structure and it is designed to give summary guidance for those different parts of the College who are responsible for managing risk and for ensuring that their decisions are implemented.

The risk management objectives of the College are to:

- Integrate an awareness of managed risk taking and effective risk management into the culture of the College.
- Manage risk in accordance with good practice.
- Embed risk management within strategic and operational management processes.
- Consider legal compliance as a minimum standard.
- Anticipate and respond to changing economic, social, environmental and legislative requirements.
- Prevent injury and damage and reduce the cost of risk.

These objectives will be achieved by:

- Updating and maintaining a Risk Register which details those risks which, in the view of senior management and the Board, pose the greatest challenge to the achievement of the College's mission and of its continuing function.
- Assessing the likelihood of these risks occurring and the likely impact of an occurrence.
- Putting in place arrangements to manage and monitor risk.
- Maintaining effective communication and the active involvement of staff.
- Preparing contingency plans in areas where there is a potential for an occurrence having a wholly negative effect.
- Monitoring and reviewing arrangements on an ongoing basis.
- Insuring against risk where this is deemed to be cost effective.

The Board has ultimate responsibility for the total risk exposure of the College by:

- Setting the tone and influence of the culture of risk management across the College.
- Determining the extent to which the College is 'risk taking' or 'risk averse' as a whole and sets the College's 'risk appetite'.
- Approving major decisions affecting the College's risk profile or exposure.
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks.
- Annually reviewing the College's approach to risk management and approving changes or improvements to key elements of the process and procedures.
- Establishing, maintaining, and reviewing controls for monitoring risks.
- Having particular focus on the financial risks that could impact the College and its provision of world class higher education.

To support it in exercising these responsibilities, the Board will receive an annual report from ExCo, on the effectiveness of the risk management process in the College, making recommendations where appropriate.

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ExCo exercise their responsibility for risks by:

- Identifying and evaluating the significant risks faced by the College.
- Providing adequate information in a timely manner to the Board on the status of risks and controls.
- Annually having a risk review and reporting the outcomes to the Board.
- Implementing policies on risk management and internal control.
- Annually reviewing the effectiveness of the system of internal control and risk management.

The CEO will report, on ExCo's behalf, to the Board on an annual basis as to the approach to risk faced by the College, and the management of it, and in each the Board meeting will report on any incidents and/or changes to the level of risk faced by the College and the approach to managing those changed circumstances. The framework for these discussions at the Board will be the Risk Register. The Trustees are cognisant of the Charity Commission's Governance Code and intend to carry out an assessment of compliance against the Code's seven principles in the coming year.

Principal Risks and Uncertainties Facing the Business

The principal risks that have been identified include:

- COVID-19 - impact on student numbers, mental wellbeing and possibility of request for break in studies, fee reduction/refund requests, staff wellbeing and ability to deliver education and support remotely in the longer term. Since September 2021 the College has been back delivering face to face teaching and providing support to students and staff where it can, but the risk of further disruption remains. We continuously review governmental advice and sector practices to ensure our community of staff and students are offered a safe environment and, where relevant, we have moved to temporary online delivery.
- Student recruitment – strategy of the College is to grow student numbers. We continue to support this through a strong recruitment team and with collaboration agreements with our parent institution (see Access and Participation Plans for further details how the College is doing this).
- Regulatory - loss of any regulatory assets such as UKVI Tier 4 licence. The College retains highly trained staff in Quality Assurance, VISA team and Admissions and continues to receive positive outcomes when audited by our regulating bodies.
- Business disruption from non-COVID incident - inability to use existing premises, loss of key members of staff, technology failure or student incident. Management of this risk falls to SMT, who meet regularly, in line with the College's Disaster Recovery Plan.

Employment policy

The College aims to be an equal opportunity employer and to apply objective criteria to assess merit and make decisions on selection, promotion and other employment-related issues. It aims to ensure that no job applicant, employee or worker receives less favourable treatment on the grounds of race, colour, national or ethnic origins, sex, sexual orientation, marital status, perceived sexuality, disability, membership or non-membership of trade unions, 'spent' convictions of ex-offenders, class, age, political views or activity, religion or belief.

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STRATEGIC REPORT

OBJECTIVES, AIMS AND ACTIVITIES

Charitable objects

NCHNL's charitable objects, as set out in the Articles of Association, are the advancement of education for the public benefit. The Board is mindful of the longstanding need to provide public benefit and the requirements of the Charities Act 2011.

Aims

The College's aim is to provide an outstanding university-level education. The desired outcomes are a deep and insightful engagement with the subjects of study, and in the process acquisition of acuity of thought, reasoning power, knowledge of methods and sources, and learning, writing and discursive skills, all exportable into lifelong learning and applicable to the demands of work and life after graduation.

The College's mission is to be 'where the power of learning and discovery through limitless global connections are unleashed. This will be manifested by building on the institution's current foundations to build differentiation in the UK market, to be a laboratory for global innovation and to become the European hub for the Northeastern network.'

Northeastern University

The College became part of Northeastern University's (NU) global network in February 2019. NU is a large not for profit university based in Boston, USA. NU has approximately 39,000 students on its campus in Boston and significant numbers throughout its network across the globe.

Being part of the NU global network provides significant opportunities, expertise and resources to further the College's ambitions.

Objectives for the year

The main objective of the College is to continue to provide education of the highest quality that meets the needs of an ever-changing future and acknowledges changes to the delivery environment and student expectations.

The primary objectives of the College and progress against them during the year were:

Fulfil the educational mission	As evidenced by the degree results and the NSS results the College certainly fulfilled its educational mission. The College was able to ensure the continuity of education and ability for progression and completion of studies by students during the COVID- 19 pandemic.
Protect the wellbeing of students and staff during the COVID- 19 pandemic	This remained a top priority for the whole year. The College was in regular contact with both staff and students to offer support on an ongoing basis, disbursed OfS Hardship funds and topped up the grant .
Run Northeastern programmes in London	In April 2020 the Northeastern students were repatriated as the COVID-19 related restrictions were introduced, with the result that no such programmes ran for 20-21. The programme was re-initiated in August 2021 for the 21-22 Academic year with over 400 students based in London.

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Public benefit statement

Founded in 2012, with the aim of providing the highest quality of education in the humanities and social sciences, the College has established itself as a prestigious, university-level college based in the heart of London. Whilst students pay fees, the College is focused on delivering public benefit and offers a number of scholarships for academic excellence and bursaries for those students requiring financial support. The amounts were £118k and £110k. Further information regarding Public Benefit can be found in the Access and Participation plan below.

The Trustees have considered the requirements of the Charities Act 2011 and the Charity Commission's guidance on public benefit in setting the objectives and activities of the charity. As part of its commitment to public benefit and in line with requirements set out by the Office for Students (OfS), the college has published its Access and Participation Plans as set out below.

ACCESS AND PARTICIPATION PLANS

The College is an approved (fee cap) provider for the purpose of registration with the Office for Students (OfS) (the regulator for higher education in England). As part of its obligations under its registration, the College is required to produce an Access and Participation Plan (APP) and this forms the central element of the College's widening participation agenda. The APP outlines in detail how the College will assist students from groups that have historically been underrepresented within higher education: students from lower social economic backgrounds, BAME students, disabled students, mature students, and care leavers.

The APP benchmarks the College's performance against the national and regional average in regards to these underrepresented groups, and specifically, what steps the College is taking to assist these groups in gaining access to education, success whilst at the College and progression on to graduate employment. The APP contains information about the College's historical performance against these metrics and also the targets agreed by the Director of Fair Access and Participation at the OfS. The APP is a public document and provides detailed analysis of the College's approach, information about specific widening participation activity, its targets and how they will be achieved. The current APP has been approved for a period of 5 years running from academic year 2019-2020.

The Access and Participation plans for NCH set out how the College maintains fair access to its programmes and how it will sustain and improve access, student success, and progression among people from underrepresented student groups. The Plan has been prepared in accordance with guidance produced by the Office for Students (OfS) and has been approved by the Board. The Plan applies to UK and European students entering the college in the 2019-20 academic year and its terms apply to those students for the duration of their studies at the College.

A significant number of outreach events have been undertaken by the College aimed at increasing awareness of the institution and to attract applicants. These activities have encompassed a wide variety of schools talks, attendance at fairs, and events held at the College. In order to comply with the College's commitments, and as required by the College's regulator (the Office of Students), widening participation activity continued throughout the pandemic, albeit via online channels. This activity - all aimed at increasing awareness of the institution and attracting widening participation applicants - encompassed various online events, including school talks, extended mentorship programmes, collaborative third-party events and events hosted by the College. Due to the success and high levels of engagement with online activities, the College has and will continue to offer online activities in combination with in-person interventions.

Of particular relevance to widening access, below are some brief representative examples of the works the College has engaged in:

- External visits and talks – the College visits a wide range and number of schools including schools from areas of lower student participation in higher education. One example of this work is a visit to Thomas Tallis School (a comprehensive co-educational school with over 1600 students, with a higher

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than average cohort of minority ethnic backgrounds and POLAR 3 quintile 1-2 students, and located in quintile 2 area for adult HE qualifications and a quintile 1 area for participation), where members of the recruitment team, accompanied by student representatives, gave a talk to years 9, 10 and 11 on studying at university and how to make applications.

- Visits to the College – another aspect of the College’s outreach strategy includes welcoming schools, students, and school staff into the College to hear talks or participate in workshops on a given subject. For example, the London School of Excellence (a school with a higher than average cohort of minority ethnic backgrounds and POLAR 3 quintile 1-2 students) and other school students, via IntoUniversity, have attended talks by the College’s visiting professors and faculty on a wide range of topics, from competition law to philosophy. In addition, students have had talks on more general topics such as ‘what it is like to study at university’ and ‘how to apply’.
- Collaborative events – the College also works with other organisations in order to reach out to students from underrepresented groups.
- Linking London – the College has become part of the Linking London network working collaboratively to deliver outreach events to FE and Sixth form colleges. During 2020-21, the College is creating an outreach video to send to schools as a way of engaging with students whilst visits to schools are not possible. The College works in collaboration with the outreach hub officers to run this work.
- Talent Foundry – the College organised a week long workshop on Law and technology to be delivered to 250 students from years 7-9, this took place on 4-8 November 2019. The College did not run the workshop during 20-21 due to COVID-19 but is currently looking at ways this programme can be offered online during the summer of 2022.
- The College works collaboratively to create and inform the outreach activities, along with effective evaluation methods of initiatives, with relevant institutions. For 2020-21 the College subscribed to SEER who supported the College with building institutional consideration such as strategic alignment and the whole institution approach focusing on data, evaluation, monitoring and research.
- Staff regularly attend training by TASO and HEIDI Plus to remain up to date in this arena. HEIDI Plus provides the institution with a data landscape that informs the College’s recruitment and widening participation strategies. In addition, the College benefits from this membership to ensure that current data sets well inform planning.

The initiatives outlined above are indicative of the work the College has always undertaken to promote access to higher education and raise awareness within underrepresented groups of the advantages of studying at university. Such programmes will continue and expand as school partnerships develop further. In terms of impacting attainment, the College will seek opportunities to work with key secondary schools to develop strategies to support students.

Financial Support

Financial support to students has been central to the College’s offer process over each year of its operation. The elements of financial support have adapted over time as the College fees have been revised and as students have been able to access loans from the Student Loans Company.

Since its inception the College has provided generous financial support in order to assist students to attend.

Means-tested bursaries are made available to students in order to alleviate financial hardship. In regard to the award of any bursary, the College considers the household income of the applicant/applicant’s family, and the size of the award is linked to that income. During 20-21 49 students were in receipt of a bursary, total amount of bursaries paid amounted to £110k, 19 of these students we classified as Widening participation students with £52k of the allocated bursaries.

The College also operates an in-year Hardship Fund. Students finding themselves in particular financial hardship, regardless of prior bursary allocations, can apply for a one-off £500 Hardship bursary to alleviate their situation. There are clear eligibility criteria. The process is managed by the Student Academic Services team and outcomes are ratified by the Director of Finance.

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In addition to means tested support, the College automatically considers every applicant for an academic scholarship of up to £2,000 based on predicted grades and performance at interview.

Alumni relations

The College is a reasonably young institution and does not yet boast large numbers of Alumni but has good ties with a number of graduates, organising bi-annual Alumni events and inviting Alumni to College wide events.

Review of achievements and performance for the year

During the year, the College continued to provide a first-class educational experience for students taking UK validated degrees and those on study abroad programmes from our parent institution, Northeastern University.

The College hosted 287 students on London Validated courses (2020: 212) and no students visiting from Northeastern University for one of their Study Abroad programmes (2020: 283). This reduction in the latter cohort was due to travel restrictions in the summer of 2020.

In 2021 48% of graduating students obtained a first class degree, and 44% a 2:i (2020: 50% and 40% respectively).

The National Student Survey (NSS) is a high-profile annual survey of nearly half a million students across the UK. The survey gathers opinions from students about their time in higher education, asking them to provide honest feedback on what it has been like to study on their course at their university/college. In 2021, 81% of eligible NCH students completed the NSS survey (2020: 85%). Overall satisfaction at NCH was 84% (2020: 96%), which was better than the national average of 76% (2020: 83%).

FINANCIAL REVIEW

NCH results for the year

The College's financial statements reflect its relatively short history and need to make upfront investment in such an institution to ensure longevity and growth. As such, the institution had declared losses since its inception with 2019-20 as the first year to see a surplus.

Total income was £19.2m representing an 88% improvement from prior year (£10.2m, 2020). But it must be noted that this is largely due to the new relationship with Northeastern University who have provided grants of £16.4m in the year, £6.6m of which were capital grants restricted to be deployed in the development of the college's new campus. If grants are removed from the income this reduced from £6m in 2020 to £2.7m mainly due to the cancellation of the Study Abroad programme for the year due to Covid-19 related travel restrictions. The reduction was offset with additional non capital grants from Northeastern University, from £4.3m in 2020 to £9.8m in 2021.

Total expenditure increased by 46% from £9.5m to £13.9m, though the Study Abroad programme was cancelled many of the staffing costs and the student accommodation cost had already been committed to legally, these costs amounted to £3.1m. The College was able to agree a significantly reduced accommodation cost for rooms not being used and many of the staff employed for the programme were subsequently seconded to Northeastern University to deliver programmes remotely which offset their costs. The lease for the new site in Devon House commenced in October 2020, this brought associated lease costs of ca. £800k and a nominal rent for the year of ca. £2.2m as new costs to the Charity. Staff costs now represent 40% of total charitable expenditure (2020: 44%).

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Reserves Policy

The College's reserves policy is that it should have access to sufficient financial resources to be able to ensure the sustainability of the College. In determining what level of financial resources are required, the College has considered the following:

- Current and projected levels of general reserves;
- Level of Working Capital required to operate effectively;
- The impact of seasonality;
- The College's risk appetite;
- The College's appetite to borrow funds and Northeastern's wishes in terms of providing grants;
- The likely financial impact of a number of unlikely but plausible scenarios linked to the most significant risks that the College faces, with particular attention to the timing of the risk and its severity.

With this in mind the College is working towards a general reserves position which would fund operations for one term (excluding the costs associated with NU Programme), this is currently around £3.9m. The total reserves for the College at the year end were £5.7m (2020: £0.4m), including £709k of restricted funds. It should also be noted that this includes a designated fund of £6m represented by Fixed Assets which are not available for general use so the general reserve position after these adjustments is £(1.1)m, £5m short of our target. Until the College reaches its target it is reliant on the continued support of Northeastern University as offered via the Deed of Grant signed on 5th September 2019.

Going Concern

In preparing these financial statements the Trustees have considered the current financial position of the College together with cashflow forecast for the foreseeable future in order to determine whether the financial statements can be prepared on a going concern basis.

During the previous year the College reacted swiftly to the worldwide pandemic and was able to shift to online delivery of its teaching provision the week before Lockdown was imposed for the UK, with a view to protect the H&S of our community. As we continued into 20-21, the Board and key management personnel acknowledged that they would need to continue to closely monitor the situation as it pertained to the Higher Education sector in particular. Strategies were and continue to be reformulated and adapted in line with emerging trends, legislation and information, requiring continuous review of the College's risk tolerance.

The initiatives mentioned in the 'future plans' section, including the resumption of NU programme and development of apprenticeships will result in steady growth in student numbers over the next few years. Management have carefully considered the resources required to meet this growth when budgeting. Forecasts for the coming 5 years show sustainable growth resulting in financial surpluses and self-sufficiency in 2023.

The negative unrestricted reserves position reflects the College's ongoing investment in the new premises, Devon House which significantly expands the resources and facilities available to meet the expected growth in student numbers. The College will continue to meet its investment and working capital requirements through the grant contributions from Northeastern University, which are provided under the Deed of Grant dated 5th September 2019, as reflected above, this support will eventually taper off once the College has reached a point of self-sufficiency.

The Trustees have a reasonable expectation that the College has sufficient resources and support from Northeastern University to continue in operational existence for the foreseeable future and it remains appropriate to prepare their financial statements on a going concern basis.

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Fundraising

The College does not carry out any fundraising activities with the general public and no donations are sought from the public. The College has no fundraising activities requiring disclosure under section 13 of the Charities (Protection and Social Investment) Act 2011.

FUTURE PLANS

The future plans include:

- Building on the acquisition by Northeastern to further grow the numbers of students in the College and to expand the offering of courses to both undergraduate and graduate students. Student numbers have gone from 300 in 2020 to over 1,000 in 2021 and the college hopes to grow student numbers by ca. 300-350 during 2022-23 and 2023-24 in its UG and PG provision as well as a further 500 a year in its Apprenticeship provision.
- Following the move to Devon House in St Katherine's Dock, which already offered considerably increased space expansion, the college is looking to further increase its estate to support plans to grow student numbers, particularly within its Mobility provision for Northeastern University.
- Increasing the offering of workplace learning opportunities building on the Apprenticeships launched in October 2020.
- Establish London as a genuine hub in the Northeastern University's global network whilst continuing to be a self-regulating English HE.

These initiatives are ensuring the College's budgets for the coming 5 years show a considerable growth and increasing surpluses allowing the recovery of past losses incurred during the initial stages of the institution's existence.

Northeastern University, as sole shareholder, is committed to supporting NCHNL's working cash flow requirements through the effects of the worldwide pandemic.

NCH AT NORTHEASTERN LIMITED
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial year or period. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland) and applicable law. Under charity law the Trustees 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 College including income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgement and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Annual Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the College's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the College's auditors in connection with preparing their report and to establish that the College's auditors are aware of that information

AUDITORS

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006

This annual report was approved by the board on 25th January 2022 and signed on its behalf



R Farquharson
Trustee

NCH AT NORTHEASTERN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NCH AT NORTHEASTERN LTD FOR THE YEAR ENDED 30 JUNE 2021

Opinion

We have audited the financial statements of NCH at Northeastern Limited ('the charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows 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 charitable company's affairs as at 30 June 2021 and of income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the Trustees' Report and Strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and strategic report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

NCH AT NORTHEASTERN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NCH AT NORTHEASTERN LTD FOR THE YEAR ENDED 30 JUNE 2021

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit, conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

NCH AT NORTHEASTERN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NCH AT NORTHEASTERN LTD FOR THE YEAR ENDED 30 JUNE 2021

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were Higher education and Research Act 2017, Teaching Excellence and Student Outcomes Framework, General Data Protection Regulations and Health and Safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Office of Students (OfS), Quality Assurance Agency for Higher Education (QAA) and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Pesh Framjee
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 17 February 2022

NCH AT NORTHEASTERN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
INCOME FROM:					
Charitable activities	2	2,661	-	2,661	5,870
Teaching & Learning					
Grants from parent entity					
Teaching & Learning	3	9,800	-	9,800	4,250
Capital Grants	3	-	6,615	6,615	-
Other Income	4	2	-	2	78
Grants from NCHT	3	-	78	78	-
		<u>12,463</u>	<u>6,693</u>	<u>19,156</u>	<u>10,198</u>
EXPENDITURE ON:					
Charitable activities	5	<u>13,885</u>	<u>15</u>	<u>13,900</u>	<u>9,533</u>
NET INCOME / (EXPENDITURE)					
		<u>(1,422)</u>	<u>6,678</u>	<u>5,256</u>	<u>665</u>
Transfers between funds	13	5,148	(5,148)	-	-
Other recognised gains /(losses)		-	-	-	-
NET MOVEMENT IN FUNDS					
		3,727	1,529	5,256	665
RECONCILIATION OF FUNDS					
Total funds brought forward		421	-	421	(244)
Total funds carried forward		<u>4,148</u>	<u>1,529</u>	<u>5,677</u>	<u>421</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

NCH AT NORTHEASTERN LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible Assets	7	6,041	57
Investments	8	1	1
		6,042	58
CURRENT ASSETS			
Debtors	9	1,801	543
Cash at bank and in hand		4,599	1,008
Total current assets		6,400	1,551
CREDITORS: amounts falling due within one year	10	(5,669)	(927)
Net current assets / (liabilities)		731	624
TOTAL ASSETS LESS CURRENT LIABILITIES		6,773	682
Provisions for liabilities	11	(1,096)	(261)
		5,677	421
TOTAL NET ASSETS / (LIABILITIES)		5,677	421
FUNDS			
Restricted funds	13	1,530	-
Unrestricted funds	13	(1,058)	421
Designated funds	13	5,205	-
TOTAL FUNDS		5,677	421

The accompanying notes 1 to 19 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 25th January 2022 and were signed on its behalf by:



R Farquharson, Trustee

Registered number: 07317195

NCH AT NORTHEASTERN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £'000	2020 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations (see below)		8,763	762
Net cash from operating activities		8,763	762
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,172)	(25)
Investment income		-	-
Net cash used in investing activities		(5,172)	(25)
Net increase / (decrease) in cash and cash equivalents		3,591	737
Cash and cash equivalents at beginning of period		1,008	271
Cash and cash equivalents at end of period (see below)		4,599	1,008
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities			
Net income / (expenditure)		5,256	665
Adjustments for:			
Depreciation	7	23	17
Investment income	4	-	-
(Increase) / Decrease in trade and other receivables	9	(1,258)	310
Increase / (Decrease) in trade payables	10	4,742	(263)
Increase / (Decrease) in provisions (exc restitution)	11	0	33
Cash generated from operations		8,763	762
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank		4,599	1,008

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1.1 Company Information

NCH at Northeastern Limited is a registered charity (no. 1189858) and public benefit entity in England and Wales (registration approved 9 June 2020) and a company limited by shares incorporated and registered in England (no.07317195) on 16th July 2010. The address of the registered office is Devon House, 58 St Katherine's Dock, London, E1W 1JP. The College changed its name to 'NCH at Northeastern Limited' in February 2019.

1.2 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1.3 Going Concern

In preparing these financial statements the Trustees have considered the current financial position of the College together with cashflow forecast for the foreseeable future in order to determine whether the financial statements can be prepared on a going concern basis.

During the previous year the College reacted swiftly to the worldwide pandemic and was able to shift to online delivery of its teaching provision the week before Lockdown was imposed for the UK, with a view to protect the H&S of our community. As we continued into 20-21, the Board and key management personnel acknowledged that they would need to continue to closely monitor the situation as it pertained to the Higher Education sector in particular. Strategies were and continue to be reformulated and adapted in line with emerging trends, legislation and information, requiring continuous review of the College's risk tolerance.

The initiatives mentioned in the 'future plans' section, including the resumption of NU programme and development of apprenticeships will result in steady growth in student numbers over the next few years. Management have carefully considered the resources required to meet this growth when budgeting. Forecasts for the coming 5 years show sustainable growth resulting in financial surpluses and self-sufficiency in 2023.

The negative unrestricted reserves position reflects the College's ongoing investment in the new premises, Devon House which significantly expands the resources and facilities available to meet the expected growth in student numbers. The College will continue to meet its investment and working capital requirements through the grant contributions from Northeastern University, which are provided under the Deed of Grant dated 5th September 2019, as reflected above, this support will eventually taper off once the College has reached a point of self-sufficiency.

The Trustees have a reasonable expectation that the College has sufficient resources and support from Northeastern University to continue in operational existence for the foreseeable future and it remains appropriate to prepare their financial statements on a going concern basis.

1.4 Preparation of consolidated financial statements

The financial statements contain information about NCH at Northeastern Limited as an individual charitable company and do not contain consolidated financial information on the grounds that the subsidiary is immaterial.

1.5 Fees and grant income

Tuition fees - received for students studying accredited degrees and accounted in the year of study with bursaries and scholarships awarded in the year credited against these fees in the accounts.

Teaching Grants received from OfS, accounted for as unrestricted income in the year they are received.

Grants received from parent company are accounted for in the period they are received and split between Teaching & Learning unrestricted grants and Capital restricted grants.

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The College holds no property or freehold land assets. Depreciation is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases and recognised within the statement of financial activities:

Office equipment	25% straight line
Fixtures & fittings	25% straight line
Leasehold improvements	over the least term

Assets in the course of construction are capitalised at cost but are not depreciated until they become available for use, they are then depreciated over the lease term.

1.7 Intangible fixed assets and amortisation

The College has no intangible fixed assets as at the date of signing these accounts.

1.8 Pension

The College operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.9 Operating Leases

Rentals on operating leases are charged to the profit and loss account in the period in which they fall due.

1.10 Funds

The total funds of the College are allocated to unrestricted and restricted based on the terms set by the donors.

Unrestricted funds are funds that are available for use at the discretion of the College in furtherance of its objectives and are divided between Designated and General Funds. Designated Funds are unrestricted funds which have been set aside by the College for specific purposes, which include those funds represented by fixed assets. General Funds are funds available for the provision of working capital and reserves for the general administration of the College.

Restricted funds comprise grants where donors have earmarked funds for specific purposes. The majority of this is related to grants provided by Northeastern University for the sole purpose of supporting the development of the College's new campus. At the year £1.5m remained unspent but designated for the purpose of fixed asset development.

Following the decision to close the related trust, New College of the Humanities Trust (Trust), charity ref number 1141608). The Trust transferred the remaining assets (£78k) to the College, where these assets are held in a separate restricted fund. This fund will be utilised in line with the articles and objectives of Trust and reserved for the financing of bursaries and hardship grants for students who meet means tested eligibility criteria.

1.11 Provisions

Provisions are recognised when the College has a present legal or constructive obligation because of past events, it is probably that a transfer of economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole a provision is recognised even if the likelihood of an outflows with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the amount expected to be required to settle the obligations using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1.12 Financial Instruments

The College has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash in hand and at bank, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, accruals, trade and other creditors.

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value.

Loans

Loans, are measured at fair value, net of transaction costs.

Investment in subsidiary

The investment in subsidiary is measured at cost less impairment.

1.13 Redundancy payments

Termination benefits are payable when employment is terminated by the College or whenever an employee accepts voluntary redundancy in exchange for these benefits. The College recognises termination benefits when a fully signed settlement agreement is in place, or when the cost has otherwise been confirmed and committed to.

1.14 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the College's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, whether the revision affects only that period, or whether they also affect future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
		£'000	£'000
2	INCOME FROM CHARITABLE ACTIVITIES		
	Unrestricted funds		
	Tuition Fees – UK Undergraduates	2,293	1,646
	Tuition Fees – UK Postgraduates	205	-
	Programme Fees from Northeastern University	-	4,155
	Tuition – EDGE division	114	-
	Other – Office for Students teaching grant	39	51
	Other academic income	10	18
		<u>2,661</u>	<u>5,870</u>
	The fee income above is net of all student support as follows:		
	Bursaries for Non-WP students *	49	52
	Scholarships – Undergraduate students	110	89
	Scholarships – Postgraduate students	8	-
		<u>167</u>	<u>141</u>
* Bursaries for Widening Participation Students area accounted for as a cost in the relevant department.			
3	GRANTS	2021	2020
		£'000	£'000
	Unrestricted		
	Teaching & Learning	9,800	4,250
	Restricted		
	Capital Development (Devon House)	6,600	-
	OfS Hardship Grant – student support disbursed in the year	15	-
	Grant from NCH Trust – for student support	78	-
	Total Restricted Grants	<u>6,693</u>	<u>4,250</u>
4	OTHER INCOME	2021	2020
		£'000	£'000
	Management fee from NCHL	-	69
	Miscellaneous income	2	9
	Interest (investment) income	-	-
	Total Other Income	<u>2</u>	<u>78</u>

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
5	ANALYSIS OF EXPENDITURE	£'000	£'000
	Charitable Expenditure		
	Direct staff costs allocated to:		
	Teaching & Research	4,357	3,226
	Other direct costs allocated to:		
	Teaching & Research	3,446	2,873
	Support and Governance costs allocated to: (see below)		
	Teaching & learning	6,097	3,434
	Total Expenditure	<u>13,900</u>	<u>9,533</u>
	 Analysis of Support and Governance Costs	 £'000	 £'000
	Student Recruitment activities	635	692
	Admissions & Widening Participation	102	80
	Marketing Activities	909	626
	Other Support (inc HR, Finance & IT)	897	1,319
	Premises Costs	3,527	698
	Governance costs (see below)	27	19
	Total Support & Governance Costs	<u>6,097</u>	<u>3,434</u>
	 Governance Costs comprise	 £	 £
	Auditors remuneration – audit services	23	15
	Auditors remuneration – other services	4	4
	Total Governance Costs	<u>27</u>	<u>19</u>
6	STAFF COSTS	2021	2020
		£'000	£'000
	The aggregate staff costs for the year were as follows		
	Salaries and wages	4,491	3,381
	Social Security costs	523	367
	Pension costs (Stakeholder and Occupational schemes)	534	412
	Other benefits	35	34
	Total Other Income	<u>5,583</u>	<u>4,194</u>
	Aggregate employee benefits of key management personnel (KMP)	1,380	1,202

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6 STAFF COSTS (Continued)	2021	2020
Average number of employees on a full time equivalent basis was as follows		
Trustees	1	1
Tuition and research	51	39
Support	49	38
Total	101	78
Average number of employees on an actual basis was as follows		
Trustees	1	1
Tuition and research	69	65
Support	59	30
Total	129	96
Number of higher paid employees with aggregate employee benefits in bands of:		
£60,001-£70,000	10	5
£70,001-£80,000	1	-
£80,001-£90,000	1	2
£140,001-£150,000	1	-
£160,001-£170,000	-	1
£180,001-£190,000	2	1
Total	15	9

TRUSTEE REMUNERATION & EXPENSES

In accordance with the Articles of Association, the Former Master (Anthony C Grayling) received remuneration of £135,188 with additional College pension and healthcare payments of £22,923 and £4,252 respectively up to his resignation as a Trustee in April 2021. Since becoming a Trustee of the College on 6th April 2021, R Farquharson received remuneration of £82,903, the College also paid £6,443 in pension contributions. This is included in the above note. In 2020 the College paid £176,518 in remuneration, £33,587 in pension payments and £4,915 in healthcare.

There were no expenses relating to travel and accommodation, amounting paid to any Trustee (2020: £nil).

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

7 TANGIBLE FIXED ASSETS

	Office Equipment £'000	Fixtures & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2020	76	5	-	81
Additions	383	-	5,623	6,006*
At 30 June 2021	459	5	5,623	6,087
Depreciation				
At 1 July 2020	23	1	-	24
Additions	21	2	-	23
At 30 June 2021	44	3	-	47
Net book value				
As at 30 June 2021	415	2	5,623	6,040
At 30 June 2020	53	4	-	57

* For the purposes of the Cash Flow statement we will remove the element here that relates to a restitution provision where no expenditure has taken place yet, £5.172m

8 FIXED ASSET INVESTMENTS

	£'000
Investment in Subsidiaries	
Cost	
At 1 July 2020	1
Additions	-
At 30 June 2021	1
Net book value	
As at 30 June 2021	1
At 30 June 2020	1

The College's investment at the balance sheet date is one ordinary share in a 100% owned Subsidiary, New College of the Humanities Ltd, (NCHL) Devon House, 58 St Katherine's Dock, London, E1W 1JP a company incorporated in the United Kingdom with company number 07917776, whose principal activity is the provision of higher education in the humanities. NCHL had a profit of £4,670 due to receipt of written off debtor balances (2020: loss £27,801) and net reserves of (£75,598) (2020: (£80,358)).

This entity has not been included within the consolidation on the grounds that the entity is immaterial to the group. Furthermore, the only transactions were due to accounting requirements as there was no trading activity. The entity will now be declared dormant for regulatory and financial purposes.

NCH AT NORTHEASTERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

9 DEBTORS

	2021	2020
	£'000	£'000
Trade debtors	6	23
Prepayments and accrued income	1,554	334
Other debtors	241	186
Total	1,801	543

Other debtors includes an intercompany balance owed by NCHL to NCH at Northeastern of £76,974 (2020 £28,842).

10 CREDITORS

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Trade creditors	2,308	240
Accruals and deferred income	2,887	306
Tax and social security	208	109
Other creditors	266	272
Total	5,669	927

11 PROVISIONS

	2021	2021	2021	2020
	Dilapidation	Restitution	Total	Total
	£'000	£'000	£'000	£'000
Balance brought forward	261	-	261	227
Released in the period	-	-	-	-
Provided for in the period	-	836	836	34
	261	836	1,097	261

Dilapidation provision relates to leasehold properties where NCH at Northeastern Ltd has a contractual obligation to bear such costs. The provision for these costs is based on management's best estimates. The dilapidations will become payable on lease termination in early 2022.

During the year a provision was created against the costs of restitution for the leasehold in Devon House, which spans 15 years. This cost was estimated by our surveyors Hennessy Godden in November 2021 and will be reviewed in an annual basis.

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12 OPERATING LEASE COMMITMENTS

During the year £2,196k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2020: £327k). At 30 June 2021 the College had total commitments under non-cancellable operating leases over the remaining life of these leases

	2021	2020
Land and Buildings	£'000	£'000
Within one year	217	2,625
Between two and five years	9,720	217
After more than five years	25,211	-
	35,148	2,842

The college signed a 15 year lease for 3 spaces within Devon House, St Katherine's Dock, in October 2020. The leases offered a rent free period of 23 months at the beginning of the contract and a further 6 months on the 10th anniversary. The schedule above reflects the timing of said rental payments.

13 FUNDS NOTE FOR CURRENT YEAR AND PRIOR YEAR

2021	Balance at 1	Income	Expenditure	Transfers,	Balance at
	July 2020	£'000	£'000	gains and	30 June
	£'000	£'000	£'000	losses	2021
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General Reserves					
– P&L	(32,240)	12,463	(13,885)	-	(33,662)
– Capital	32,604	-	-	-	32,604
Designated funds - FA	57	-	-	5,148	5,205
	421	12,463	(13,885)	5,148	4,147
Restricted funds					
NCH Trust	-	78	-	-	78
Capital Funding	-	6,615	(15)	(5,148)	1,452
	-	6,693	(15)	(5,148)	1,530
Total funds 2021	421	19,156	(13,900)	-	5,677
2020	Balance at 1	Income	Expenditure	Transfers,	Balance at
	July 2019	£'000	£'000	gains and	30 June
	£'000	£'000	£'000	losses	2020
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General Reserves					
– P&L	(32,896)	10,198	(9,542)	-	(32,240)
– Capital	32,604	-	-	-	32,604
Designated funds - FA	49	-	-	8	57
	(243)	10,198	(9,542)	8	421
Restricted funds	-	-	-	-	-
Total funds 2021	(243)	10,198	(9,542)	8	421

NCH AT NORTHEASTERN LIMITED
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13 FUNDS NOTE FOR CURRENT YEAR AND PRIOR YEAR (CONTINUED)

Analysis of net assets between funds:

2021	Restricted £'000	Unrestricted £'000	Designated £'000	Total Funds £'000
Fixed Assets	-	-	6,041	6,041
Net Current Assets	1,530	(797)	-	733
Provisions	-	(261)	(836)	(1,097)
	<u>1,530</u>	<u>(1,058)</u>	<u>5,205</u>	<u>5,677</u>
2020	Restricted £'000	Unrestricted £'000	Designated £'000	Total Funds £'000
Fixed Assets	-	-	57	57
Net Current Assets	-	625	-	625
Provisions	-	(261)	-	(261)
	<u>-</u>	<u>364</u>	<u>57</u>	<u>421</u>

14 SHARE CAPITAL

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
Ordinary shares of £1 each	13,850	13,850
Capital Contribution	-	-
	<u>13,850</u>	<u>13,850</u>

15 FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial assets measured at amortised cost	4,854	1,217
Financial assets measured at fair value	-	-
Financial liabilities measured at amortised cost	<u>(5,370)</u>	<u>(780)</u>

- a) Financial assets measured at amortised cost includes include cash, trade and fee debtors, staff loans, other debtors & accrued income, but exclude amounts due from HMRC.
b) Financial assets measured at fair value consists of investments.
c) Financial liabilities include trade creditors, other creditors, accruals, bank loans & pension liabilities but excluding amounts owed to HMRC.

16 CAPITAL COMMITMENTS

As at 30th June 2021 the college had received £6.6m in grants from Northeastern University to support the development of our new campus in St Katherine's Dock of which £5.1m had been spent by year end. Further commitments at this date amounted to £3.8m, for which further grants were received beyond the year end.

NCH AT NORTHEASTERN LIMITED
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17 RELATED PARTY TRANSACTIONS

The College's parent is Northeastern University, an educational institution incorporated under the laws of the Commonwealth of Massachusetts, United States, being a non-stock, non-profit educational charity with tax exempt status (EIN: 04-1679980) under section 501(c)(3) of the United States Internal Revenue Code. Main address is 360 Huntington Avenue, Boston, MA 02115, United States. Consolidated accounts are available on Northeastern University's website;
<https://finance.northeastern.edu/financial-statements>.

The college no longer receives management fees from New College of Humanities Limited, a wholly owned subsidiary company, it received £69,000 in 2020.

18 CONTINGENT LIABILITIES

The College had no contingent liabilities as at 30 June 2021 (2020: none)

19 POST BALANCE SHEET EVENTS

On 8th December 2021 the college signed a further lease for half of the second floor in Devon House to be dedicated to teaching space. The lease is to run concurrently with the pre-existing lease and benefits from the same rent free period arrangement. It is contingent on the college obtaining permission to change the use of the premises to educational.