

The University of Notre Dame (USA) in England

**Annual report and financial statements
for the year ended 30 June 2021**

**Registered Charity Number: 1098673
Company Number: 4780870**

The University of Notre Dame (USA) in England

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The University of Notre Dame (USA) in England

Directors' Report including Strategic Report

The Directors of the University of Notre Dame (USA) in England (the "University") present their report and audited financial statements for the year ended 30 June 2021.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, THE DIRECTORS AND ADVISERS

Directors

Shannon Cullinan
Robert Conway
John Hahn
Andrew Paluf
William Kennedy
Michael Pippenger
Anna Rowlands
Marcus Cole
Madison Faller - appointed 1 October 2020

Company Secretary

Broadway Secretaries Limited

The Directors of the University who were in office during the year and up to the date of signing the financial statements are listed above.

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Academic Directors

Joshua Copeland, *Executive Director*

Rev. James Lies, C.S.C., *Senior Director for Academic Initiatives and Partnerships*

Solicitors

BDB Pitmans LLP
One Bartholomew Close
London
EC1A 7BL

Michael Addo, *Director, London Law Program*

Bankers

Citibank NA
Citigroup Centre
25 Canada Square
Canary Wharf
London E14 5LB

Registered Office

One Bartholomew Close
London
EC1A 7BL

Principal Office

1-4 Suffolk Street
London
SW1Y 4HG

Status

The University of Notre Dame (USA) in England is a charity registered in England and Wales under number 1098673, and a company limited by guarantee number 4780870.

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Directors' Report including Strategic Report (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The University of Notre Dame in England was established by a Trust Deed dated 28 November 1980 for the advancement of education. The Trustees of the University determined at the end of fiscal 2004 that the business and affairs of the charity could be carried out more efficiently through the medium of a charitable company rather than, as in years prior, that of an unincorporated trust. Thus, the University of Notre Dame in England was wound up effective 30 June 2004. Concurrent with the winding up of the University of Notre Dame in England, the assets and activities of this entity were transferred to the current entity, the University of Notre Dame (USA) in England.

The University's governing document comprises a Memorandum and Articles of Association. The University plans to maintain charitable objectives and, as such, the University remains exempt from taxation on income derived from its charitable activities.

Directors of the University are nominated through consultations with the sitting Directors and appointed by the charity's patron, the University of Notre Dame du Lac based at Notre Dame, Indiana, USA (the "Parent University" or "Notre Dame"), who acts through the patron's representative. The Parent University provides the Charity's Directors with personal indemnity insurance. The Directors also act as trustees for the charitable activities of the University. Training of new Directors is provided by internal management, both from the Parent University and the University. Directors meet at least twice annually. Directors are educated on the history of the organization and advised as to the most important elements of the management and administration of the charity, including identification of the charity's key personnel and their operational roles. Directors also receive periodic training by a third party which covers such topics as the Directors' responsibilities, the Companies Act 2006, the Charities Act 2011, data protection and employment law.

The pay of the key personnel is reviewed annually and subject to annual merit increases as available, determined on a yearly basis through market analysis and a process of recommendations following an annual performance review. Key personnel compensation is evaluated on appointment and reviewed regularly based on survey market data where the positions are matched to comparable positions within similar organizations (size, complexity) within the UK.

Under the Charities (Protection and Social Investment) Act 2016, charities are required to include information on fundraising activities in the trustees' annual report. University of Notre Dame (USA) in England has no fundraising activities.

OUR AIMS

The Parent University established the charity for the advancement of education. In serving the public benefit, the objectives of the University are to enable students to undertake a period of study in the

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Directors' Report including Strategic Report (continued)

United Kingdom, to enhance their understanding of British culture, and to take advantage of the many educationally enriching opportunities that London offers as a global city with unique cultural, economic, and political institutions. In setting its aims, Directors have given careful consideration to the Charity Commission's guidance on public benefit in terms of academic programs, financial aid and other charitable activities.

Academic Programs

Each of the academic programs run by the University comprises the academic lecturers based in England or visiting faculty from the Parent University as well as administrative staff members – all administrative staff are UK based. Day-to-day management of all programs is delegated to the respective program directors who have regular communications with their respective academic and administrative managers at the Parent University. Major decisions are taken by the program directors of the University in consultation with senior management of the Parent University.

Conway Hall, a historic building near Waterloo Station, supports student accommodations, provides greater flexibility in scheduling, and enables the University to manage costs associated with lodging for all programs.

Further information regarding the objectives and activities, achievements and performance, and plans for future periods for the academic programs can be found in the respective sections of this report.

Financial Aid

The principal beneficiaries of the University are the students of the Parent University and, accordingly, the financial aid policies of the Parent University have a direct and important impact upon all students attending the University. The Parent University's undergraduate financial aid policy is based on the goal of making the Parent University's costs reasonably affordable for all applicants, regardless of family resources. This need-based commitment begins at the point of admission, where students' ability to pay is not a consideration in the process. Complementing this "need-blind" admissions policy is the Parent University's firm commitment to meet the demonstrated full "financial need" of every student.

Financial aid at the Parent University in the form of scholarships, grants, loans and campus employment, is determined primarily on the basis of financial need with the most generous packages being awarded to the neediest students from the lowest income families, including decisions to give some students full grants in respect of their University tuition and fees. For the year ended 30 June 2021, the Parent University awarded full, no-loan grants and scholarships to 1,152 undergraduates (2020: 1,074), totalling \$66.5 million (USD) (2020: \$59.7 million (USD)). Total financial aid in the form of grants and scholarships was \$183.7 million (USD) for the year ended 30 June 2021 (2020: \$166.9 million (USD)). These amounts reflect approximately 26% of total tuition for 2021 (2020:

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Directors' Report including Strategic Report (continued)

24%). Approximately 48% of the undergraduate student body received some form of aid during the year (48% during 2020). The portion of Parent University financial aid provided specifically to students participating in the University's academic programs can be found at the end of this section on page 5.

The Parent University focuses specific outreach efforts to recruit potential low-income students. These efforts include the following:

- Admissions representatives are in contact with students across the United States stressing that Notre Dame has a "need-blind" admissions policy. In addition, the counsellors share that Notre Dame annually meets the full demonstrated need of students. All printed materials and the website for admissions and financial aid include this information.
- The Parent University sponsors several pre-college programs for high school students. Special summer programs are held annually for high school students, including those from socio-economically disadvantaged families, to introduce them to Notre Dame and to encourage them to apply. Due to the novel coronavirus ("Covid-19"), these programs continued in the summer of 2020 but were offered virtually.
- Each spring the Parent University provides all-expense paid three-day campus visits on three separate occasions for incoming admitted students from disadvantaged socio-economic backgrounds. Participants attend classes, meet with current students, faculty and staff, reside in the residence halls, and engage in numerous community activities. As a result of Covid-19, the spring 2021 events were converted to online programs and the same types of opportunities were provided to these students.
- Special efforts to recruit students from disadvantaged socio-economic families are made by four additional groups of alumni: the Black Alumni of Notre Dame, the Hispanic Alumni of Notre Dame, the Asian Pacific Alumni of Notre Dame, and the Native American Alumni of Notre Dame. Approximately 150 Notre Dame alumni clubs typically award need-based scholarships to students from their communities to enhance their ability to attend.
- Parent University has also partnered with such organizations as QuestBridge, Posse Foundation, Cristo Rey Network, KIPP Public Charter Schools, Say Yes to Education, and AnBryce to attract, enroll and support students who are first-generation or underrepresented populations.
- Parent University predominately provides students from families with incomes below \$60,000 per year a financial aid offer that contains no loans.
- The Office of Enrichment at the Parent University addresses the social and personal needs of high financial need students with the transition and management of the collegiate experience.

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Directors' Report including Strategic Report (continued)

The financial aid programs referred to above are applicable to the academic year international programs at the Parent University and all admitted students of the Parent University are offered the opportunity to study abroad in London. Students in both the London Law Program and the Summer London Law Program are eligible for a number of scholarships based upon need and merit. In addition, loan programs are made available to all Law students and can be applied to study both at the Parent University and the University.

As in person academic programming in London was cancelled due to the impacts of Covid-19 for the year ended 30 June 2021, University faculty taught virtual courses for the Parent University and the students attending were covered under the Parent University's financial aid policies. The table below displays financial aid provided specifically to students participating in academic programs at the University for the year ended 30 June 2020.

Program	Total no. of students	Students receiving financial aid	Total financial aid provided (USD)	Total financial aid provided (GBP)	Percentage of students receiving aid
Undergraduate	290	130	\$2,490,272	£ 1,976,778	45%
Law	42	39	\$561,315	£ 445,572	93%

Other Charitable Activities

While in London, Undergraduate and Law students are encouraged to volunteer with local charities. While there is no formal requirement to do so and participation varies from year to year, students regularly work with the charitable organizations in and around London. There are two elective courses on the undergraduate level that integrate such service opportunities into the course, placing students in local charities and Catholic schools, respectively, where each student contributes a day and a half per week.

In addition, the University continues to focus on ways to increase the use of its historical and centrally located facility, Marian Kennedy-Fischer Hall ("Fischer Hall"), in London as a venue for academic symposia, readings, meetings, cultural events, book launches, seminars and conferences. This continued focus, described in greater detail in the following sections, will connect the University with British institutions while providing those organizations and the general public with unique educational opportunities.

OBJECTIVES AND ACTIVITIES

The aims of the University are carried out through its objectives and activities. Below is an overview of the Objectives and Activities of the University.

Fischer Hall and Conway Hall provide Notre Dame an attractive stage in the middle of one of the world's most influential global cities. London is the ideal location for showcasing Notre Dame's

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Directors' Report including Strategic Report (continued)

academic strengths and unique characteristics to the global educational community. It attracts students from around the world and has become a major hub for international education. In March 2020, the World Health Organization declared Covid-19 a pandemic. The outbreak of the disease has affected travel, commerce and financial markets globally, including in London. The continued spread of Covid-19 and its impact on social interaction, travel, economies and financial markets has adversely affected operations and financial conditions, including, among other things, the timing and ability of the University to have students return to London for in person classes.

Each unit within the overall University program has unique attributes and objectives but certain common themes emerge from the current overview. These are:

- the staged incremental growth of University programs in terms of both the number of current and future students and course offerings;
- the building of relationships between the University and British universities and cultural institutions that will result in joint programming in terms of courses, conferences and student interactions;
- an expansion of outreach activities of the University that involves the entire Notre Dame community including alumni and friends of the University;
- an enhancement of the academic quality of each of the programs;
- a broadening of the commitment to engage students in the London community in academic engagement, service work and internship offerings;
- expanding global reach of Notre Dame faculty members' scholarship and research through collaborations and academic events, such as conferences, workshops, and symposia;
- supporting undergraduate and graduate students' and postdoctoral fellows' research and training;
- promoting the closer integration of all the programs at the University;
- maintaining and upgrading Fischer Hall to maximize its use as an educational and conference facility; and
- a deepening of students' global awareness and commitment to ideals of global citizenship.

The University's Undergraduate and Law Programs during both the academic year and the summer set as their fundamental goals the provision of a rigorous international education for undergraduate and law students and the sustained promotion of the University as an international hub of cultural and scholarly activity that contributes significantly to the elevation of Notre Dame's international prestige.

Progress towards these objectives are measured through key performance indicators which include levels of student attendance; the quality of conferences and events held throughout the year; and

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Directors' Report including Strategic Report (continued)

opportunities for undergraduate, graduate and faculty research and internships and externships for students.

STRATEGIC REPORT

Achievements and Performance

Program Enrolment

Due to Covid-19, University in person programs could not be offered from summer 2020 through summer 2021, therefore there was no program enrolment. During this time, a number of courses were taught and lectures given online for the Parent University by London faculty members. Over the course of the year, 38 undergraduate courses were delivered online to a total of 580 students drawn from the Parent University Colleges of Arts & Letters, Business Administration, Engineering, and Science, as well as the Pre-College program of the Parent University's Department of Admissions. The Law program offered one class (Business and Human Rights) during the fall of 2020, for the Parent University. During this period also, the faculty of the London Law Program staged a series of Global Spotlight lectures covering their areas of expertise to cover a range of topics, including Just Global Health: Integrating Human Rights and Common Goals, Coronavirus and the Curtailment of Religious Liberty, The Story of the War on Terror, The Role of Parliament in the Brexit Process and Finding Fault: Doctrine and Difficult Questions in Law. In the spring semester of 2021, the London Law program expanded its virtual teaching from one class to six – Philosophical Foundations of Human Rights, African Human Rights system, Comparative Federalism, Comparative Corporate Governance, Comparative law and Business and Human Rights. It proved to be an enriching contribution to the Parent University teaching and learning experience.

University program enrolment for the year ending 30 June 2020 can be found in the table below. The spring semester for both the Undergraduate and Law Programs began on 8 January 2020 but due to the impact of Covid-19, students were unable to complete their time in London, leaving in March 2020 and completing coursework virtually.

Program	Term	Total no. of students year ending 30 June 2021	Total no. of students for year ending 30 June 2020
Undergraduate	Fall	Parent University online courses	142
Undergraduate	Spring	Parent University online courses	148
Undergraduate	Summer	Parent University online courses	Parent University online courses
Law	Fall	Parent University online courses	13
Law	Spring	Parent University online courses	32

The current plan for future semesters includes undergraduate program growth to a target of 200 students per semester. It is anticipated that this new target will be achieved by summer 2022 and will continue

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Directors' Report including Strategic Report (continued)

at this level in future semesters. This anticipated growth is in line with the University's strategic objectives.

London Law program enrolment numbers have remained steady with the resumption of in person instruction in the fall of 2021. For this semester, a total 18 students have joined the program; 8 for the full year with 7 third year law and 11 second year law students, 11 of whom are female and 7 are male. This growth is in line with the University's strategic objectives.

Undergraduate Research

Opportunities for undergraduate research is a priority of the London Global Gateway ("LGG") (programming by Notre Dame, the charity's patron, as defined in the Agreement for the Supply of Services). The fall 2020 Kennedy Scholars, a course for exceptional juniors in the Parent University's College of Arts and Letters to develop independent research skills and ideas for their upcoming senior thesis, were unable to participate due to the suspension of fall study abroad because of Covid-19 (fall 2019: 4 students participated in person). In spring 2021, the group had 7 students participating in the course online (spring 2020: 3 students participated in person).

Internships

After the suspension of the London program in spring 2020, many internships were transformed into virtual placements with students able to successfully complete the semester from their homes. This practice of virtual internships continued into the summer of 2020 and subsequent academic year, with 49 undergraduate students participating in virtual internships across the year.

Law Programs

The Law Program launched an ambitious review of its curriculum during this academic year in order to respond to the changing professional expectations, introduce structure and clarity to the fields of study as well as taking advantage of the concentration of legal expertise in London and the rest of Europe. The review identified three broad pathways that will capture the courses to be offered in London. These are:

- International Commercial, Tax and Intellectual Property Law
- International Capital Markets and Corporate Law
- Public International and International Human Rights Law

In addition to the already strong field of courses four new subjects, Philosophical Foundations of Human Rights, African Human Rights System, Comparative Federalism and Comparative Corporate Governance were introduced and the three of the existing ones - Business Associations, Comparative Law and Law of International Trade - were substantially revised. Seven world class faculty were appointed to the faculty from leading practitioners and scholars in the UK.

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Directors' Report including Strategic Report (continued)

The London Law externship program remains especially valuable for the diversity of partners with whom we work. Ranging across government departments, private commercial firms, legal professional, community law centres and other non-governmental organisations, the program allows for every career and professional interest to be catered for. Interest in externship program from our students and the community of employers is increasing in recognition of the additional value that the program offers to students and employers. It is part of the strategy behind the curriculum review to complement student learning with the externship opportunities.

It is a good measure of the loyalty of some of our externship partners to the success of the Law program that they continued to offer externship positions (albeit virtually) to students during the period of Covid-19 closure of the LGG. In the spring of 2020, 8 students secured externships and in the fall of 2021, 6 students secured externship positions.

The Galilee program is a unique initiative that enables law students to have exposure and experience to a work environment. Traditionally, this has been limited to workplaces in the United States. However, in the fall of 2020 a group of students (1 first year, 2 second year and 1 third year supervisor) were accepted to experience the international workplace when they were admitted by Cleveland, Scot York, Norton Rose Fulbright and Withers Worldwide under the mentorship of Adrian Bradley, Kevin Connoley and Jaime McLemore respectively. Although the experience was virtual, it was nevertheless a valuable one.

We continue to develop our relationship with our London Law alumni community who have always been generous with their time and expertise. This has been especially valuable in terms of finding externship opportunities and providing networking and career advice to our students.

The Law Program provides an excellent hub for research collaboration with UK and European scholars as well as with researchers from all over the world. Some colleagues from the Law School have taken advantage of this opportunity with conferences, workshops and book launches.

Chesterton Collection

In July 2019, all archival materials comprising the G.K. Chesterton Collection (the "Chesterton Collection") were acquired including books, personal effects, art and other items related to the life of the renowned 20th-century premier English Catholic intellectual. To provide access to scholars and the public, a suitable space has been outfitted within Fischer Hall to house the collection. Covid-19 has stalled progress in making the collection available to researchers and peer institutions.

Conferences / Events

Covid-19 has precluded hosting all conferences, symposia and events, and the buildings have been largely vacant since the departure of our students in mid-March, 2020. Staff moved to remote work at

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this point, per UK government guidance. A limited security and facilities operation was kept in place until the last of the residents took their leave in late June 2020; since that time the University has ceased providing front of the house operations, since the building is for all intents and purposes, empty. During this period the facilities staff have maintained regular monitoring of Fischer Hall.

Financial Review

The University expended £4,503,263 (2020: £5,891,947) on its charitable activities during the year, of which £456,233 (2020: £1,381,270) was expended on activities undertaken directly and £4,047,030 (2020: £4,510,677) was expended on support costs. The University experienced reductions in charitable activities undertaken directly as there were no student programs during the year due to Covid-19. Support costs also decreased as Fischer and Conway Halls were mostly unoccupied the entire year. The costs incurred this year were primarily focused on maintaining the existing infrastructure for when programs were able to start up again. Budgets are approved by the Parent University and reports on expenditures are sent to the Parent University every month for monitoring.

Recurring operations of the University were funded by a combination of donations from the Parent University and charges as outlined in the Agreement for the Supply of Services between the University and the Parent University. In 2021, donations from the Parent University were £980,975 (2020: £1,578,549). The year over year decrease in donations is mainly due to the reduction in gift in kind which helps offset direct and indirect program costs but such costs were down this year mainly due to the cancellation of programs. Charges for the supply of education and supplemental services for other charitable activities were £2,395,000 (2020: £2,911,000) and £181,000 (2020: £268,000), respectively.

Rental income of £58,056 (2020: £819,439) which includes student accommodation rental income from third party tenants leasing a portion of Conway Hall decreased year over year with the closing of the building due to Covid-19.

The Conway Hall emergency lighting system was upgraded to LED during the year with a capitalized cost of £21,420. Costs capitalized related to the Chesterton Collection casework totalled £97,152 and included £92,532 from the prior year construction in progress.

As a result of the overall decrease in total expenditures and incoming resources as described in the previous paragraphs, the net decrease in funds for the year, as shown in the statement of financial activities, amounted to £967,996 (net decrease 2020: £296,024). The value of the University's net assets at 30 June 2021 amounted to £40,742,117 (2020: £41,710,113).

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Even with programs beginning in the fall of 2021, Covid-19 could continue to have potential impacts on the financial performance of the University, however, any needs will be covered by the ongoing support from the Parent University as outlined in the Going Concern section.

Plans for Future Periods

In the summer of 2021, the Parent University made the decision with input from the University to resume student programming in London in the fall of 2021. The situation continues to be closely monitored by the Parent University and the University.

Undergraduate Programs

The Undergraduate Program was strengthened by the introduction of a slate of Signature Courses, recently renamed London Seminars, which are small seminars whose focus is in some way specifically related to London and/or the UK. Travel to relevant sites is an integral part of the London Seminar Courses, as is a research component. The London Seminar has become a course requirement for all undergraduate students as programs resume in the fall semester of 2021.

Undergraduate Research

Negotiations are ongoing regarding collaborations with the other departments of the Parent University, such as the Nanovic Institute and the de Nicola Center for Ethics and Culture, for the funding of further undergraduate research opportunities.

Graduate and Faculty Research

In addition to providing research opportunities for undergraduates, the University intends to provide more opportunities for advanced graduate students to conduct research for their dissertations in London. It is a goal to recruit one or two graduate students to spend a semester or a year teaching and doing research in London, and this has resumed for the fall semester of 2021 with one graduate student in residence for teaching and research.

Increasing the number of Notre Dame faculty who come to London for substantial research programs is again a priority for the next academic year. Not only would this help achieve the goal of expanding the global reach of faculty research and scholarship but would help build relationships with key universities in the region. Visiting research fellows deferred due to Covid-19 will be able to reschedule visits as programming resumes in the fall of 2021.

Internships

The University is looking to make internship opportunities more accessible to undergraduate students during both the academic year and the summer months and across a wide variety of disciplines. Annual participation in internships continues to increase each year, as well as does the portfolio of local

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Directors' Report including Strategic Report (continued)

partnership firms and institutions. A key component for achieving this goal of continued growth and engagement is securing funding for visas required to participate in internship opportunities.

Law Programs

The review of the London Law Program curriculum will continue in the coming academic years with the addition of new courses and faculty, strengthening the Program's offerings in the aforementioned focus areas.

As with the curriculum review, the externship program is expected to evolve in the next academic year to take advantage of the employability needs of the legal environment. In the fall of 2021, 6 students secured externship positions. The University expects to increase participation of law students in the externship program and to diversify the placements available.

During the next academic year, the University hopes to continue and expand the mentorship offered by the London Law alumni to the students. Going further, we hope to explore the possibility of engaging London Law alumni as adjunct faculty for the program.

The University hopes to continue building on the range of conferences and events hosted by colleagues in the Law School. Furthermore, in light of the success of the 50th anniversary expert lecture series, there is great merit in the establishment of a short visitor program with the aim of preparing and delivering research seminars. This will attract a wider community of scholars and practitioners to the Centre.

Chesterton Collection

The pandemic delayed further progress in establishing the Notre Dame Chesterton Collection. The hiring process for an archivist has resumed in the summer of 2021, and the hope is for the role to commence in the fall of 2021. An annual lecture on G.K. Chesterton will be part of the ongoing plans for the Collection, and planning continues for a series of inaugural events, including an academic conference with a high profile keynote speaker once circumstances allow for a large-scale gathering.

Conferences / Events

An important aspect of the work of the University, as an educational charity, is the hosting of lectures, conferences, and symposia. Scholars of various academic disciplines would typically convene at our London Global Gateway for these projections. In addition and in keeping with our mission, we have also made our space available to other educational institutions, charities, and some corporate partners. Government guidelines and travel restrictions will be closely monitored to determine the format for resuming in person conferences and events with the reopening of Fischer Hall for student programs in the fall of 2021.

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Directors' Report including Strategic Report (continued)

Principal Risks and Uncertainties

Management of Risk

The Directors of the University confirm that the major risks to which the charity is exposed, as identified by the Directors, have been reviewed and systems have been established to mitigate those risks. These risks include:

- Risks related to oversight and compliance which includes financial oversight and compliance and General Data Protection Regulations ("GDPR"). These risks are mitigated by the close working relationship between University staff and Notre Dame International, Finance Division, and General Counsel's Office of the Parent University and include:
 - Regular meetings held with the University and Parent University finance teams.
 - Quarterly forecasting completed to identify any financial risks, and develop mitigation plans prior to year-end.
 - The Parent University's Information Technology Director, in collaboration with General Counsel and the Office of Information Technology, monitoring for potential changes or amendments the UK may establish around GDPR.
- Risk related to facilities and infrastructure. This risk has been mitigated by integrating the maintenance of facilities into the long-term maintenance program run by the Parent University and collaborating with the Office of Information Technology and Facilities Design and Operations at the Parent University to assess technology and address as needed. Recent improvements include:
 - Turnstiles installed in both Conway and Fischer Halls that require an ID swipe to enter the building beyond the lobby and CCTV systems have been upgraded in both buildings.
 - A new intruder alarm system and intercom system has been installed in Fischer Hall.
- Risk related to health and safety for students and staff. This risk is mitigated by working closely with the Parent University to replicate best safety and security practices and maintaining close relationships with the Metropolitan Police, Fire Brigade and the State Department at the US embassy for a smooth exchange of information and a clear understanding of responsibilities and is illustrated by the following:
 - The Parent University has partnered with International SOS, the world's leading international medical and travel security assistance company. The University utilizes International SOS' emergency communications platform to keep students, faculty and

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Directors' Report including Strategic Report (continued)

staff informed of changes events and send messages proactively in emergency situations.

- The Parent University and the University together created a Covid-19 Policies and Protocols document for the fall 2021 semester in which vaccination is required for students studying abroad.
- The Parent University and the University recently held their first annual campus safety meeting to review local safety policies, systems, training, and compliance.
- The University student support staff participated in a virtual table top exercise in May 2021, which focused on providing emergency health, safety, and counselling resources to a student in the aftermath of a robbery and assault.
- The University requires fall 2021 students to register their personal leisure travel to better inform and account for travellers due to the fluidity of the pandemic and changing travel restrictions.
- Risk related to world events. A risk identified and brought to the Parent University's formal risk mitigation process in January 2020 has clearly superseded many of the other risks in recent months. Academic programs are in person for the fall of 2021 but Covid-19 continues to present several risks for the coming year in the following ways:
 - The pandemic poses financial risks if the University is unable to physically gather for academic instruction, faculty research, and service to the community in London.
 - Current government policies in the United Kingdom and the United States continue to evolve and change frequently, limit the ability to plan, convene, and in some cases, travel to and from the University.
 - The University had to delay moving forward with the archiving and launch of the Chesterton Collection due to the impacts of Covid-19.

One way the University has mitigated these risks is by holding virtual events such as "Hitchcock in London" which was tapped into the larger Notre Dame Alumni and Friends network in the United Kingdom and the United States.

The Directors continue to assess potential risks and review them on an annual basis.

FINANCIAL RISKS

The Directors believe the charity does not have exposure to price, credit, liquidity, and financial asset risks as these risks along with any other financial risks are supported by the Parent University. There is no exposure to foreign exchange risk as all transactions with the Parent University are denominated in sterling.

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Directors' Report including Strategic Report (continued)

RESERVES POLICY

The designated fund represents the University's tangible fixed assets and deferred reverse lease premiums. Any residual monies in the General Fund reserves after meeting current operating costs are held solely for the purpose of meeting future budgeted operating costs in subsequent periods.

Designated fund reserves at 30 June 2021 were £40,166,727 (2020: £41,124,892). The General fund surplus at 30 June 2021 was £575,390 (2020: £585,221).

In consultation with the Parent University, the Directors review on an annual basis the unrestricted general funds and are satisfied that resources available to the University are adequate to meet any and all on-going operational needs. In the event of unexpected funding needs, the Parent University would have adequate resources to ensure continued operations of the University. For this reason the reserves target for the General fund is £nil (2020: £nil).

The Memorandum and Articles of Association authorises the Directors to invest at their discretion any monies not immediately required for the furtherance of the University's objectives. Such monies are currently invested in interest bearing bank accounts held with the University's bankers.

GOING CONCERN

The University is dependent on support from the Parent University through both donations and fees from the Agreement for the Supply of Services relating to the provision of education (the "agreement"). As Covid-19 continues to impact our student programs and other objectives, donations from the Parent University will continue to support any ongoing operating costs and liquidity needs not covered by the agreement. The Parent University is committed to the strategic objectives of the University and is financially capable as evident by its strong credit rating. As the University has continuing full financial support from Parent University as proven by the letter of support signed annually, the directors therefore consider that it is appropriate to prepare the financial statements of the University on the going concern basis and have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future.

PUBLIC BENEFIT

The Strategic Report clearly sets out in detail the University's charitable activities, which have been carried out in line with the charitable objectives. The case for public benefit is supported by, but not limited to, providing educational services to advance those objectives and financial assistance for the benefit of students, their families and communities they work in. As such, the Directors, as Trustees of the University are confident the University has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

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Directors' Report including Strategic Report (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The University of Notre Dame (USA) in England for the purposes of company law) are responsible for preparing the Directors' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company 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 the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Notre Dame (USA) in England

Directors' Report including Strategic Report (continued)

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP were appointed by the Directors as the first independent auditors of the University. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the University will be proposed at the annual general meeting.

The Directors' report, including the Strategic Report, was approved by the Board of Directors and authorised for issue on 11 November 2021.



Shannon Cullinan
Director

Independent auditors' report to the members of the University of Notre Dame (USA) in England

Report on the audit of the financial statements

Opinion

In our opinion, The University of Notre Dame (USA) in England's financial statements (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 its incoming resources and application of resources, including its income and expenditure, 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 and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2021; statement of financial activities (incorporating the income and expenditure account) and cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 charitable 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

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees 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 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.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of the University of Notre Dame (USA) in England (continued)

Directors' Report including Strategic Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report including Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' Report including Strategic Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report including Strategic Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees 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 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.

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

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

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to manipulate financial results. Audit procedures performed included:

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Obtaining independent confirmations of cash balances as at 30 June 2021 and testing management's year-end bank reconciliations;
- Enquiry of management and the board of directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of the board of directors and significant contracts; and
- Assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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

Independent auditors' report to the members of the University of Notre Dame (USA) in England (continued)

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.

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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' 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.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 November 2021

The University of Notre Dame (USA) in England

Statement of financial activities (incorporating the income and expenditure account) for the year ended 30 June 2021

	Note	£ Unrestricted Funds	£ Restricted Funds	£ Total Funds 2021	£ Total Funds 2020
Income from:					
Donations	2	711,044	269,931	980,975	1,578,549
Charitable activities:					
Fees from educational services		2,395,000	-	2,395,000	2,911,000
Fees from supplemental services		181,000	-	181,000	268,000
Other:					
Rental income		58,056	-	58,056	819,439
Conferences and event income		-	-	-	10,081
Reverse lease premium	16	4,395	-	4,395	4,395
Other income		2,957	-	2,957	60,498
Total		3,352,452	269,931	3,622,383	5,651,962
Expenditure on:					
Charitable activities	3	4,233,332	269,931	4,503,263	5,891,947
Other Costs	6	87,116	-	87,116	56,039
Total		4,320,448	269,931	4,590,379	5,947,986
Net expenditure and net movement in funds	7	(967,996)	-	(967,996)	(296,024)
Reconciliation of funds:					
Total funds brought forward at the beginning of the year		41,710,113	-	41,710,113	42,006,137
Total funds carried forward at the end of the year		40,742,117	-	40,742,117	41,710,113

All of the University's activities are derived from continuing operations.

All gains and losses recognised in the year are included in the Statement of Financial Activities therefore no separate statement of comprehensive income has been prepared.

There is no difference between the net movement in funds for the year stated above, and its historical cost equivalent, and as such, a separate note on historical gains and losses has not been produced.

The University of Notre Dame (USA) in England

Statement of financial activities (incorporating the income and expenditure account) for the year ended 30 June 2020

	Note	£ Unrestricted Funds	£ Restricted Funds	£ Total Funds 2020
Income from:				
Donations	2	1,202,616	375,933	1,578,549
Charitable activities:				
Fees from educational services		2,911,000	-	2,911,000
Fees from supplemental services		268,000	-	268,000
Other:				
Rental income		819,439	-	819,439
Conferences and event income		10,081	-	10,081
Reverse lease premium	16	4,395	-	4,395
Other income		60,498	-	60,498
Total		5,276,029	375,933	5,651,962
Expenditure on:				
Charitable activities	3	5,516,014	375,933	5,891,947
Other Costs	6	56,039	-	56,039
Total		5,572,053	375,933	5,947,986
Net expenditure and net movement in funds	7	(296,024)	-	(296,024)
Reconciliation of funds:				
Total funds brought forward at the beginning of the year		42,006,137	-	42,006,137
Total funds carried forward at the end of the year		41,710,113	-	41,710,113

The University of Notre Dame (USA) in England

Balance sheet at 30 June 2021

	Note	£ 2021	£ 2020
Fixed assets			
Tangible assets	10	40,421,749	41,384,309
Current assets			
Debtors	11	82,768	189,635
Cash at bank and in hand	15	836,232	591,669
Total current assets		919,000	781,304
Creditors: Amounts falling due within one year	12	(348,005)	(200,478)
Net current assets		570,995	580,826
Total assets less current liabilities		40,992,744	41,965,135
Creditors: Amounts falling due after more than one year	13	(250,627)	(255,022)
Total net assets	18	40,742,117	41,710,113
The funds of the charity			
Restricted income funds	20	-	-
Unrestricted funds	19	40,742,117	41,710,113
Total charity funds		40,742,117	41,710,113

The company number for The University of Notre Dame (USA) in England is 4780870.

The financial statements on pages 21-47 were approved by the Directors on 11 November 2021 and were signed on their behalf by:



Shannon Cullinan
Director

The University of Notre Dame (USA) in England

Cash flow statement for the year ended 30 June 2021

	Note	£ 2021	£ 2020
Cash flows from operating activities		270,603	426,476
Net cash inflow from operating activities	14	270,603	426,476
Cash flows from investing activities:			
Purchase of property, plant and equipment	10	(26,040)	(151,114)
Change in cash and cash equivalents in year	15	244,563	275,362
Cash and cash equivalents at the beginning of the year		591,669	316,307
Cash and cash equivalents at the end of the year		836,232	591,669

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021

NOTE 1.

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS 102) in the United Kingdom, the Statement of Recommended Practice on Accounting and Reporting by Charities issued by the Charity Commission in October 2019 (the “Charities SORP”), the Companies Act 2006, and the Charities Act 2011.

BASIS OF PRESENTATION

The financial statements are prepared in accordance with the historical cost convention and accounting policies have been applied on a consistent basis from year to year. The University is a Public Benefit Entity.

GOING CONCERN

The University is dependent on support from the Parent University through both donations and fees from the Agreement for the Supply of Services relating to the provision of education (the “agreement”). As Covid-19 continues to impact our student programs and other objectives, donations from the Parent University will continue to support any ongoing operating costs and liquidity needs not covered by the agreement. The Parent University is committed to the strategic objectives of the University and is financially capable as evident by its strong credit rating. As the University has continuing full financial support from Parent University as proven by the letter of support signed annually, the directors therefore consider that it is appropriate to prepare the financial statements of the University on the going concern basis and have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future.

FUND ACCOUNTING

General funds represent monies received for the general purposes of the University.

Designated funds represent the tangible fixed assets of the University, as well as the reverse lease premiums.

Restricted funds are monies received for a specific purpose, or donation subject to donor imposed restrictions.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 1. PRINCIPAL ACCOUNTING POLICIES (continued)

INCOME AND EXPENDITURES

Income and expenditures are accounted for using the accrual basis. The University is entitled to income when receipt is probable and the amount can be measured reliably. Expenditures are inclusive of any Value Added Tax (VAT) which cannot be recovered.

DONATIONS

Donations include cash transfers to the University from the Parent as well as expenditures paid directly by the Parent on behalf of the University

FEE INCOME

Summer program fees are collected by the Parent and transferred to the University. Revenues are credited in the Statement of Financial Activities ("SOFA") in the period in which the relevant program is conducted. Fees received in advance are deferred until the period in which the respective program is conducted.

EDUCATIONAL AND SUPPLEMENTAL SERVICE FEES

Fees are calculated annually and received in accordance with the Agreement for the Supply of Services dated 1 July 2014 between the Parent and the University. Revenues are credited in the Statement of Financial Activities ("SOFA") in the period in which the fee is earned. Fees received in advance are deferred until the appropriate period.

RENTAL INCOME

A third party education service and other universities provide student accommodation in a portion of Conway Hall under contractual agreements with the University. Rental revenues from these arrangements are at a fixed amount. Rental revenue from University students participating in the summer programs and residing at Conway Hall are credited in the SOFA in the period in which the respective summer program is conducted. Rent payments received in advance are deferred until the period in which the respective program is conducted.

REVERSE LEASE PREMIUM

A reverse lease premium received by the University has been deferred and is released to the SOFA over the life of the lease.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 1. PRINCIPAL ACCOUNTING POLICIES (continued)

PENSIONS

The pension fund operated by the University is a defined contribution scheme. The pension costs charged to the SOFA in respect of the scheme represent the amount of contributions payable to the scheme for the benefit of the employees in respect of the accounting year. Contributions are allocated between activities and between restricted and unrestricted funds based on where the related salary expense has been charged.

EXPENDITURES

Costs of charitable activities comprise the costs of activities undertaken directly by University programs, as well as support costs that facilitate, but are not directly attributable to charitable programs. Support costs, including support staff costs, depreciation, and interest, are allocated to charitable programs on the basis of the number of students participating and the length of the program term. Other costs include expenditures on compliance with constitutional and statutory requirements.

TAXATION

The University is a registered charitable company and accordingly is exempt from taxation on income derived from its charitable activities, since the activities fall within the scope of sections 466 to 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992. The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT is included within the appropriate expenditure heading.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets on a straight line basis over their expected useful economic lives as follows:

Freehold buildings	- 50 years
Building systems	- 25 years
Furniture and fixtures	- 10 years
Computers and other office equipment	- 4 years
Leasehold improvements	- Over the period of the relevant lease or the useful life of the leasehold improvement, whichever is lower.
Freehold land	- No depreciation charged
Construction in progress	- No depreciation charged

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 1. PRINCIPAL ACCOUNTING POLICIES (continued)

The University applies a full month of depreciation in the month a capitalised asset is placed into service. Tangible fixed assets acquired for less than £1,500 and building projects for less than £20,000 are generally not considered for capitalisation. Such items are expensed in the period of acquisition. The carrying value of fixed assets is annually reviewed for impairment if events or changes in circumstances suggest that their carrying amount may not be recoverable.

HERITAGE ASSETS

In July 2019, archival materials comprising the G.K. Chesterton Collection were gifted to the University including 44.5 linear metres of books and pamphlets, 27 standard archive boxes of paper materials (a mixture of primary archive documents and duplicates) and a small collection of artifacts and artwork owned or created by G.K. Chesterton. Prior to acquiring the collection, the University commissioned a professional archivist to make a preliminary report on the collection, evaluating its heft and condition. A space in Fischer Hall has also been reconfigured to allow access to the collection for researchers and the general public.

These assets are not included in the tangible fixed assets and no value has been assigned as it is not practical to determine the value, nor would this reflect the nature and use of the heritage assets. As there have been no other heritage asset transactions in the past five years, the summary disclosures outlined in paragraphs 18.28 to 18.31 of the Charities SORP were not provided.

OPERATING LEASES

Rentals applicable to operating leases are charged to the SOFA on a straight line basis.

FOREIGN CURRENCY

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. All exchange differences are taken to the SOFA.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the University's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. These judgements, estimates and assumptions are made based on a combination of past experience, professional expert advice and other relevant evidence. However, the nature of estimation means the actual outcomes could differ from those estimates. The following areas are considered to

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 1. PRINCIPAL ACCOUNTING POLICIES (continued)

involve the critical judgements and key sources of estimation uncertainty when applying the University's accounting policies

Critical Judgements

Revenue Recognition

Revenue recognition of educational and supplemental services fees, summer program fees and third party rental income are areas that requires judgement to appropriately apply income both in the amount and period when earned. Donations are recognized upon receipt. As discussed in the Income and Expenditures accounting policy, the University records income when receipt is probable and the amount can be measured reliably.

Cost Allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs. These are reviewed annually for reasonableness and the basis of student numbers and the length of the program terms continues to be used. Support costs, and other expenditures judgements, are detailed in the Expenditures accounting policy.

Contingent Assets

Contingent assets are recognized and disclosed when a possible asset arises from past events. Management must use judgement to determine if the existence of the asset is probable and if the disclosure of such asset may prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the contingent asset.

Key Sources of Estimation Uncertainty

Provisions

Provisions are made for future obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on contractual and other requirements.

Impairment of property

The charity undertakes an impairment review of property as discussed in the Tangible Fixed Assets and Depreciation accounting policy. If impairment is determined, management's best estimate is used to determine the charge. No property impairment is included in the financial statements.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 2.

DONATIONS

The University received income from donations as follows:

	£	£	£
	Unrestricted Funds	Restricted Funds	Total Funds
Donations received from the			2021
Parent University	711,044	269,931	980,975
	711,044	269,931	980,975

	£	£	£
	Unrestricted Funds	Restricted Funds	Total Funds
Donations received from the			2020
Parent University	1,202,616	375,933	1,578,549
	1,202,616	375,933	1,578,549

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 3.

CHARITABLE ACTIVITIES

	£	£	£
	Activities undertaken directly (Note 4)	Support costs (Note 5)	Total 2021
Undergraduate Program	253,867	3,481,155	3,735,022
Law Centre	202,366	565,875	768,241
	456,233	4,047,030	4,503,263

	£	£	£
	Activities undertaken directly	Support Costs	Total 2021
Staff costs (Note 8)	378,924	1,343,701	1,722,625
Lodgings, meals & travel	8,123	2,483	10,606
Depreciation	-	988,600	988,600
Printing, supplies & equipment	12,128	137,295	149,423
Sundry expenses	21,335	84,011	105,346
Repairs and maintenance	-	205,945	205,945
Rent, rates and utilities	-	1,001,285	1,001,285
Legal and other professional fees	30,003	57,273	87,276
Cleaning and security	-	168,747	168,747
Telephone, internet & postage	5,720	17,299	23,019
Insurance	-	40,391	40,391
	456,233	4,047,030	4,503,263

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 3. CHARITABLE ACTIVITIES (continued)

	£	£	£
	Activities undertaken directly (Note 4)	Support costs (Note 5)	Total 2020
Undergraduate Program	1,108,987	3,905,654	5,014,641
Law Centre	272,283	605,023	877,306
	1,381,270	4,510,677	5,891,947

	£	£	£
	Activities undertaken directly	Support Costs	Total 2020
Staff costs (Note 8)	591,327	1,229,864	1,821,191
Lodgings, meals & travel	633,133	24,808	657,941
Depreciation	-	987,842	987,842
Printing, supplies & equipment	19,060	127,643	146,703
Sundry expenses	32,964	193,535	226,499
Repairs and maintenance	120	432,001	432,121
Rent, rates and utilities	-	998,628	998,628
Legal and other professional fees	57,699	106,567	164,266
Cleaning and security	-	351,322	351,322
Telephone, internet & postage	8,381	12,306	20,687
Insurance	38,586	46,161	84,747
	1,381,270	4,510,677	5,891,947

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 4.

COST OF ACTIVITIES UNDERTAKEN DIRECTLY

	£	£	£
	Undergraduate Program	Law Centre	Total 2021
Staff costs (Note 8)	221,159	157,765	378,924
Lodgings, meals & travel	(1,788)	9,911	8,123
Printing, supplies & equipment	4,033	8,095	12,128
Sundry expenses & other	6,913	14,422	21,335
Repairs and maintenance	-	-	-
Legal and other professional fees	21,874	8,129	30,003
Telephone, internet & postage	1,676	4,044	5,720
	253,867	202,366	456,233

	£	£	£
	Undergraduate Program	Law Centre	Total 2020
Staff costs (Note 8)	426,628	164,699	591,327
Lodgings, meals & travel	557,488	75,645	633,133
Printing, supplies & equipment	10,148	8,912	19,060
Sundry expenses & other	54,392	17,158	71,550
Repairs and maintenance	120	-	120
Legal and other professional fees	57,258	441	57,699
Telephone, internet & postage	2,953	5,428	8,381
	1,108,987	272,283	1,381,270

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 5.

SUPPORT COSTS

	£	£	£
	Undergraduate Program	Law Centre	Total 2021
Staff costs (Note 8)	1,101,665	242,036	1,343,701
Depreciation	869,968	118,632	988,600
Lodgings, meals & travel	2,185	298	2,483
Printing, supplies & equipment	120,820	16,475	137,295
Sundry expenses & other	73,965	10,046	84,011
Repairs and maintenance	181,664	24,281	205,945
Rent, rates and utilities	881,131	120,154	1,001,285
Legal and other professional fees	50,490	6,783	57,273
Cleaning and security	148,497	20,250	168,747
Telephone, internet & postage	15,226	2,073	17,299
Insurance	35,544	4,847	40,391
	3,481,155	565,875	4,047,030

	£	£	£
	Undergraduate Program	Law Centre	Total 2020
Staff costs (Note 8)	1,012,547	217,317	1,229,864
Depreciation	869,301	118,541	987,842
Lodgings, meals & travel	23,927	881	24,808
Printing, supplies & equipment	112,548	15,095	127,643
Sundry expenses & other	172,302	21,233	193,535
Repairs and maintenance	380,161	51,840	432,001
Rent, rates and utilities	878,793	119,835	998,628
Legal and other professional fees	95,255	11,312	106,567
Cleaning and security	309,181	42,141	351,322
Telephone, internet & postage	11,017	1,289	12,306
Insurance	40,622	5,539	46,161
	3,905,654	605,023	4,510,677

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 6.

OTHER COSTS

Other costs included governance costs during the year ended 30 June as follows:

	£	£
	2021	2020
Audit, legal and professional	87,116	56,039

NOTE 7.

NET EXPENDITURE AND NET MOVEMENT IN FUNDS

The University's net movement in funds is stated after charging:

	£	£
	2021	2020
Auditors' remuneration for the audit (including VAT)	44,035	39,265
Tax advisory services provided by auditors' firm (including VAT)	11,096	70,374
Depreciation (Note 10)	988,600	987,842
Operating leases of land and building (including VAT)	840,000	768,000

Amounts net of VAT for auditors' remuneration for the audit is £36,696 (2020: £32,721), Tax advisory services provide by auditors' firm is £11,096 (2020: £68,194), and operating leases of land and building £700,000 (2020: £640,000).

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 8.

EMPLOYEES

Staff costs during the year ended 30 June were as follows:

	£ 2021	£ 2020
Wages and salaries	1,378,574	1,502,990
Social security costs	146,260	82,951
Medical insurance	73,889	88,820
Other pension costs	123,902	146,430
	<u>1,722,625</u>	<u>1,821,191</u>

For the year ended 30 June 2020, social security costs included accrued tax equalization expense.

Staff costs, analysed by function, were as follows:

	£ 2021	£ 2020
Activities undertaken directly (Note 4)	378,924	591,327
Support costs (Note 5)	1,343,701	1,229,864
	<u>1,722,625</u>	<u>1,821,191</u>

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 8. EMPLOYEES (continued)

The number of employees during the year who earned £60,000 per annum or more (including benefits) was as follows:

	No. 2021	No. 2020
£60,001 - £70,000 per annum	1	3
£70,001 - £80,000 per annum	3	4
£80,001 - £90,000 per annum	1	-
£90,001 - £100,000 per annum	-	-
£100,001 - £110,000 per annum	1	1
£110,001 - £120,000 per annum	-	-
£120,001 - £130,000 per annum	1	-
	7	8

These employees are also accruing benefits under defined contribution (money purchase) benefits schemes. University contributions on behalf of these employees for the provision of such benefits amounted to £49,458 for the year ended 30 June 2021 (2020: £53,819). No other employees earned more than £60,000 per annum during the year.

The average monthly number of staff, analysed by function, for the year was:

	No. 2021	No. 2020
Activities undertaken directly	14	34
Support functions	20	22
	34	56

The Academic Directors are the key management personnel of the charity. Staff costs for key management personnel during the year ended 30 June were as follows:

	£ 2021	£ 2020
Wages and salaries	260,183	228,022
Social security costs	23,091	21,329
Medical insurance	18,905	21,726
Other pension costs	25,845	22,165
	328,024	293,242

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 9.

DIRECTORS' REMUNERATION

No Director (defined as a University Director for purposes of this note, opposed to an Academic Director) received remuneration in respect of services to the University, nor did any Director receive any reimbursement of expenses from the University related to their role as Director during the year ended 30 June 2021 (2020: £nil).

The Parent University provided the Charity's Directors with personal indemnity insurance during the year ended 30 June 2021 at cost of £nil to the University (2020: £nil).

NOTE 10.

TANGIBLE ASSETS

	£ Freehold land	£ Freehold building, building systems	£ Leasehold improvements	£ Furniture & fixtures	£ Computers & other office equipment	£ Construction in progress	£ Total
Cost							
At 1 July 2020	2,867,644	41,769,419	5,368,025	106,228	275,775	92,532	50,479,623
Purchases	-	21,420	-	4,620	-	-	26,040
Transfers	-	-	-	92,532	-	(92,532)	-
At 30 June 2021	2,867,644	41,790,839	5,368,025	203,380	275,775	-	50,505,663
Accumulated depreciation							
At 1 July 2020	-	7,414,143	1,344,620	74,206	262,345	-	9,095,314
Charge for the year	-	904,439	72,024	5,511	6,626	-	988,600
At 30 June 2021	-	8,318,582	1,416,644	79,717	268,971	-	10,083,914
Net book value							
At 30 June 2021	2,867,644	33,472,257	3,951,381	123,663	6,804	-	40,421,749
At 30 June 2020	2,867,644	34,355,276	4,023,405	32,022	13,430	92,532	41,384,309

The carrying value of tangible fixed assets is reviewed for impairment in years where events or changes in circumstances indicate the carrying value may not be recoverable. All assets are used for direct charitable purposes.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 11.

DEBTORS

	£ 2021	£ 2020
Other debtors	11,274	98,353
Prepayments and accrued income	71,494	91,282
	<u>82,768</u>	<u>189,635</u>

Other debtors are stated after provisions for impairment of £nil (2020: £115k).

NOTE 12.

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£ 2021	£ 2020
Trade creditors	88,635	30,977
Taxation and social security	44,383	43,127
Deferred reverse lease premium (Note 16)	4,395	4,395
Accruals and deferred income	210,592	121,979
	<u>348,005</u>	<u>200,478</u>

The deferred income portion of the accruals and deferred income line is £nil (2020: £nil).

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 13.

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£ 2021	£ 2020
Deferred reverse lease premium (Note 16)	250,627	255,022

NOTE 14.

RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	£ 2021	£ 2020
Net expenditures	(967,996)	(296,024)
Decrease/(increase) in debtors	106,867	(5,245)
Increase/(decrease) in short term creditors	147,527	(255,702)
Decrease in deferred revenue	(4,395)	(4,395)
Depreciation	988,600	987,842
Cash flows from operating activities	270,603	426,476

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 15.

ANALYSIS OF CHANGES IN NET FUNDS

	£ At 1 July 2020	£ Cash flow	£ At 30 June 2021
Cash at bank and in hand	591,669	244,563	836,232
Net funds	591,669	244,563	836,232

	£ At 1 July 2019	£ Cash flow	£ At 30 June 2020
Cash at bank and in hand	316,307	275,362	591,669
Net funds	316,307	275,362	591,669

NOTE 16.

REVERSE LEASE PREMIUM

Reverse lease premiums on No. 1 Suffolk Street are recognised evenly over the life of the lease. Related deferred income to be recognised in future years is as follows:

	£ 2021	£ 2020
Due within one year (Note 12)	4,395	4,395
Due after one year (Note 13)	250,627	255,022
	255,022	259,417

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 17.

FINANCIAL COMMITMENTS

At 30 June minimum payments under non-cancellable operating leases fall due as follows:

	£	£
	2021	2020
Within one year	697,214	697,214
Between one and five years	2,575,887	2,633,100
In more than five years	34,080,000	34,720,000

The University leases its Suffolk Street facility under an operating lease. The lease contains a 5-year rent review provision, potentially exposing the rent paid by the charity to market review every five years. The most recent review resulted in an annual rent for the Suffolk Street facility of £640,000 per year, retroactive to October 2015. The rent review effective for October 2020 is ongoing and an estimated provision has been made in the financial statements for the change in annual rent.

At 30 June minimum payments due to the University under non-cancellable operating leases fall due as follows:

	£	£
	2021	2020
Within one year	-	58,056

The University granted a license to a third party education service provider to lease excess capacity in Conway Hall exclusively for student housing to other tenants, however, the agreement ended in July 2020.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 18.

ANALYSIS OF NET ASSETS

Unrestricted funds at 30 June 2021 are represented by:

	£ Designated Funds	£ General Funds	£ Total Funds
Fixed assets (Note 10)	40,421,749	-	40,421,749
Current assets	-	919,000	919,000
Creditors:			
Amounts falling due within one year (Note 12)	(4,395)	(343,610)	(348,005)
Amounts falling due after more than one year (Note 13)	(250,627)	-	(250,627)
Total net assets	40,166,727	575,390	40,742,117

Unrestricted funds at 30 June 2020 were represented by:

	£ Designated Funds	£ General Funds	£ Total Funds
Fixed assets (Note 10)	41,384,309	-	41,384,309
Current assets	-	781,304	781,304
Creditors:			
Amounts falling due within one year (Note 12)	(4,395)	(196,083)	(200,478)
Amounts falling due after more than one year (Note 13)	(255,022)	-	(255,022)
Total net assets	41,124,892	585,221	41,710,113

Designated funds represent the University's tangible fixed assets net of deferred reverse lease premiums.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 19.

UNRESTRICTED FUNDS

	£ At 1 July 2020	£ Income	£ Expenditures	£ Transfers	£ At 30 June 2021
Designated funds	41,124,892	-	(988,600)	30,435	40,166,727
General funds	585,221	3,352,452	(3,331,848)	(30,435)	575,390
	41,710,113	3,352,452	(4,320,448)	-	40,742,117

	£ At 1 July 2019	£ Income	£ Expenditures	£ Transfers	£ At 30 June 2019
Designated funds	41,957,225	-	(987,842)	155,509	41,124,892
General funds	48,912	5,276,029	(4,584,211)	(155,509)	585,221
	42,006,137	5,276,029	(5,572,053)	-	41,710,113

Transfers reflect general fund resources expended to acquire tangible fixed assets.

NOTE 20.

RESTRICTED INCOME FUNDS

	£ At 1 July 2020	£ Income	£ Expenditures	£ At 30 June 2021
Concannon endowment	-	266,053	(266,053)	-
Kennedy Family London Thesis Seminar Endowment for Excellence endowment	-	132	(132)	-
Dr. Paul and Constance Noonan, Sr. Excellence Fund endowment	-	3,746	(3,746)	-
	-	269,931	(269,931)	-

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 20. RESTRICTED INCOME FUNDS (continued)

	£ At 1 July 2019	£ Income	£ Expenditures	£ At 30 June 2020
Concannon endowment	-	364,269	(364,269)	-
Kennedy Family London Thesis Seminar Endowment for Excellence endowment	-	5,304	(5,304)	-
Kennedy Family Premier Undergraduate Research Fellowship endowment	-	3,026	(3,026)	-
Dr. Paul and Constance Noonan, Sr. Excellence Fund endowment	-	3,334	(3,334)	-
	-	375,933	(375,933)	-

Investment income earned from the endowment's assets held by the Parent University is passed to the University to support various programs and expenditures:

- The Concannon endowment was established at the Parent University in 1976 to provide resources to conduct a program of international law studies and is used by the University to fund the program of international law studies conducted in London.
- The Kennedy Family London Thesis Seminar Endowment for Excellence endowment was established at the Parent University in 2015 to provide resources to conduct a program which includes a semester course in London to educate students on the process of creating thesis proposals related to London or the United Kingdom.
- The Kennedy Family Premier Undergraduate Research Fellowship endowment was established at the Parent University in 2015 to provide resources to provide students an opportunity to return to London for research after completing the Kennedy Family London Thesis Seminar. Due to the impacts of Covid-19, there was no student travel to London and no expenditures, therefore, endowment earnings were reinvested by the Parent University.
- The Dr. Paul and Constance Noonan, Sr. Excellence endowment was established at the Parent University in 2012 to help fund work visas and travel expenses to undergraduates participating in the London program.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 21.

RELATED PARTY TRANSACTIONS

During the year to 30 June 2021 the University received donations from the Parent University amounting to £980,975 (2020: £1,578,549), as set out in Note 2. Based on the Agreement for the Supply of Services between the University and the Parent University, fees from educational services in the amount of £2,395,000 (2020: £2,911,000) and fees from supplemental services in the amount of £181,000 (2020: £268,000) were received from the Parent University for the year ending 30 June 2021. The fees related to the Agreement for the Supply of Services is computed annually based upon the underlying costs of the University. As of 30 June 2021, amounts due from and due to the Parent University are £nil (2020: £nil). During the spring 2021 semester Mr. William Kennedy, a trustee of the University of Notre Dame (USA) in England, taught an investment class as part of the Parent University academic programming. Mr. Kennedy did not receive any consideration for his services. There were no further transactions with any related party during the year.

NOTE 22.

FINANCIAL INSTRUMENTS

	£	£
	2021	2020
Financial assets held at amortised cost	847,506	690,022
Financial liabilities held at amortised cost	343,610	196,083

Financial assets at amortised cost represents cash, staff loans and other debtors. Financial liabilities held at amortised cost represents trade creditors and accrued expenses.

The University of Notre Dame (USA) in England

Notes to the financial statements for the year ended 30 June 2021 (continued)

NOTE 23.

COMPANY BY LIMITED GUARANTEE

The Guarantee given by the members comprises an undertaking that they will each contribute the maximum sum of £1 in the event that the University is wound up owing money to its creditors.

NOTE 24.

ULTIMATE PARENT

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is the University of Notre Dame du Lac (EIN 35-0868188), a tax exempt entity under section 501(c)(3) of the Internal Revenue Code incorporated in the United States of America. Control is exercised through the power to appoint directors as outline in the Memorandum and Articles of Association. The University of Notre Dame du Lac is a teaching and research university with a distinctive Catholic character and provides undergraduate and post-baccalaureate education. The consolidated accounts of University of Notre Dame du Lac are available from the Office of the Controller, University of Notre Dame, 801 Grace Hall, Notre Dame, Indiana 46556, United States of America.