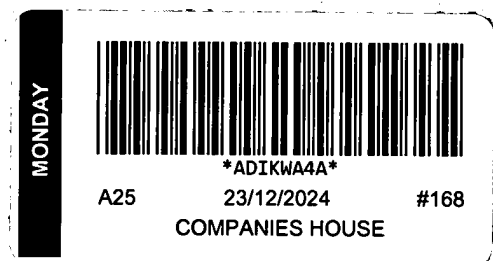


Registered number: 07317195
Charity Number: 1189858

NORTHEASTERN UNIVERSITY – LONDON

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024



NORTHEASTERN UNIVERSITY – LONDON

Board of Trustees at report date

Dr Gregory Abowd
Alice Chinebuah – non exec (joined 27.5.24)
Robert Farquharson
Diane MacGillivray
Thomas Nedell (Chair)
Julietta Tenant-Dexter – non exec

Darren Campili – non exec (resigned 18.4.24)
Jonathan Goodwin – non exec (resigned 17.01.24)
Patricia Wood (resigned 18.04.24)

Senior Management Group (also considered Key Management Personnel)

Ciara Alfano (Associate Dean of Teaching and Learning, *joined in June 24*)
Diana Bozhilova (Associate Dean of Global Impact and Sustainability, *joined in June 24*)
Vanessa Carreras (Director of Finance)
Dr Naomi Goulder (Dean for Academic Development and Innovation and interim Dean of Faculties)
Robert Farquharson (Chief Executive Officer)
Anthony Grayling (Founder and Principal)
Emma Kelly (Head of EDGE Division London)
Ken Morrison (Associate General Counsel, UK *joined April 2024*)
Rebecca Morrison (Director of Academic Services and Registrar)
Elizabeth O'Connell (Director of Admissions, Recruitment & Marketing)
Dr Kasim Randeree (Associate Dean of Faculty Affairs)
Martin Smith (Assistant Vice President for Recruitment and Marketing for Global Campuses)
Dr Alison Statham (Associate Dean of Teaching and Learning)
Sheena Van Der Merwe (Director of Resources & Operations)
Caroline Ward (Director of HR)
Dr Scott Wildman (Interim Academic Dean)
Syed Zaidi (Director of Visa & Immigration Compliance)

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
5th Floor, 50/60 Station Road
Cambridge, CB1 2JH

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

The Trustees (who are Trustees of the charitable company) present their Annual Report for the year ended 30 June 2024 in accordance with the HE/FE SORP requirements as well as requirements under the Charities Act 2011, and the Companies Act 2006.

On 9th June 2020 NCH at Northeastern Limited (NCHNL) became a Registered Charity (registered charity number 1189858) and on 13th July 2022 it changed its name to Northeastern University - London (NU London) following approval for the use of university title granted by the Department for Education and the Office for Students.

STATEMENT OF CORPORATE GOVERNANCE

Governing Documents

The University is governed by its Articles of Association, last amended on 21 June 2022.

Governing Body

The NU London Board of Trustees ('The Board') is the statutory governing board of the legal entity. NU London owns the brand 'New College of the Humanities' as well as its dormant subsidiary New College of the Humanities Limited ('NCHL'), including its relationship with regulatory bodies and partner organisations. NU London 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.

The Board is legally responsible for the overall management and control of the University and, as such, has oversight and management of the strategic, financial and operational areas of the University's activities and all other aspects of the University's existence save for responsibilities delegated to the Academic Board in respect of the regulating and directing of the academic work of the University, 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 University. 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.

The Board meets four times a year.

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 University.

NU London Board has established the following committees 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. See Organisational Management section below.

Recruitment and Training of Trustees

The Trustees roles are filled differently. There are five Trustees appointed by Northeastern University. The non-executive Trustees are recruited and appointed by the nominations committee of the NU London Board. The University 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 delegates responsibility for University Management onto the following Committees.

- The Executive Committee (ExCo) is Chaired by the CEO and ensures there is effective leadership and

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

management of all the activities undertaken by the University and provides a link between the Board and the senior management. It ensures that the strategic priorities as outlined in the NU London 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 University 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 as needed during the 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 University 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 University and takes such measures as shall best promote the academic and professional work of the University, safeguard standards, academic freedom, and ensure that students receive a high-quality academic experience while studying at the University. This academic authority is exercised within a budgetary and strategic framework set by NU London Board.

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

Ensuring regularity and propriety in the use of public funding

Consideration of the financial position of the University is a standing item for both the Board of Governors and the Executive Committee. Both also have oversight of the use of public funding within their responsibilities for the academic activities of the University. The Internal Auditor function will also look to carry out audits of the University's processes for handling such monies with these reports being considered by the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF INTERNAL CONTROL & RISK MANAGEMENT

The Trustees are responsible for the system of internal control operating within NU London and for reviewing its effectiveness as well as ensuring they are linked to achieving the University's objectives. Such a system can only provide reasonable, and not absolute, assurance against material misstatements or losses, and cannot eliminate business risk. As a reflection of the University's recent growth, this system has been – and will continue to be – under constant review and development.

The Trustees identify areas of improvement in the system of internal control based on reports and reviews from University management, Audit Committee, Academic Board and other committees. Trustees are of a view that there is an ongoing process for identifying, evaluating and managing the University's risks and internal controls and that at the date of approval of the annual report and financial statements, the process has been subject to regular review. The Trustees approach this responsibility from the perspective of discharging their duties, as specified in the "Regulatory framework for higher education in England" published by the OfS in February 2018.

The university falls under the purview of Northeastern University's Audit & Advisory Services. Audit & Advisory Services is an independent and objective assurance function that assesses and evaluates the University's internal control environment.

As part of the process of constant internal review, University management and Trustees have identified the requirement for a number of policies as follows:

- Anti-Bribery and Corruption Policy & reporting form
- Anti-Money Laundering Policy, Guidelines & reporting form
- Data Protection Policy, Privacy notices, Data Breach investigation procedures
- Fraud Prevention and Response Policy & reporting form
- Public Interest Disclosure Policy
- Risk Management Strategy

The Trustees are also responsible for meeting with the External Auditor to consider the nature and scope of the annual audit, and thereafter discuss audit findings and the internal control report arising out of the audit of the annual financial statements. The Audit Committee reviews the annual financial statements, paying particular attention to financial disclosures, accounting adjustments and control issues. Whilst NU London officers attend the meetings of the Audit Committee as necessary, they are not members of the Committee, and the Committee meets from time to time with the Internal and External Auditors on their own for independent discussions.

The Risk Management Strategy is designed to support this mission by assessing and managing the risks to the University achieving its stated mission and to ensure that the University 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 University's control and governance structure and it is designed to give summary guidance for those different parts of the University who are responsible for managing risk and for ensuring that their decisions are implemented.

The approach to internal control is risk-based, including evaluation of the likelihood and impact of risks becoming a reality. Review procedures include business, operational, compliance, reputational and finance risk. Identification and management of risk is firmly embedded in all the University's systems and procedures. Central to this approach is the maintenance of a Risk Register which ExCo review. Up until recently the University has not had an internal audit function and has relied on External audits / reviews to review the controls in operations.

Following a period of growth and development, the University is now working with the Internal Audit department at Northeastern University (parent entity) to develop their own internal controls function.

Regular reviews of a wide range of activity throughout the organisation will be conducted and a plan for each department of the University will be developed using a risk-based approach, taking account of the key areas of risk identified for the University as a whole and of specific areas of risk highlighted by the department heads. The plan will aim to cover all significant areas of risk at least once during each 3 year cycle. Any major risks are reviewed more frequently.

The risk management objectives of the University are to:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

- Integrate an awareness of managed risk taking and effective risk management into the culture of the University.
- 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 University'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 system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, a system of delegation and accountability, and independent scrutiny. In particular the system includes:

- comprehensive budget setting and monitoring systems;
- regular reviews of periodic financial reports which indicate financial performance against budgets and forecasts
- access by all finance staff and appropriate departmental staff to systems providing a suite of enquires and reports to facilitate effective financial management on an ongoing basis
- clearly defined capital expenditure guidelines
- formal project management disciplines
- an in-house internal audit service; and
- scrutiny by Governors, OfS, other inspectorates, external audit and other stakeholders.

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

- Setting the tone and influence of the culture of risk management across the University.
- Determining the extent to which the University is 'risk taking' or 'risk averse' as a whole and sets the University's 'risk appetite'.
- Approving major decisions affecting the University'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 University'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 University 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 University, making recommendations where appropriate.

ExCo exercise their responsibility for risks by:

- Identifying and evaluating the significant risks faced by the University.
- 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 University, 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 University and the approach to managing those changed circumstances. The framework for these discussions at the Board will be the Risk Register.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Principal Risks and Uncertainties Facing the Business

The principal risks that have been identified include:

- Student recruitment – strategy of the University is to grow student numbers. The University supports this through a strong recruitment team and with collaboration with our parent institution. However this growth will include a large number of international students so any changes to UK visa rules and or the country of origin rules of our students could adversely affect this growth.
- Regulatory - loss of any regulatory assets such as UKVI immigration licences and also including adverse decisions by OfS, Ofsted and ESFA amongst others. The University retains highly trained staff in key areas and continues to receive positive outcomes when audited by, or interacting with, our regulating bodies.
- Business disruption - inability to use existing premises; loss of key members of staff, technology failure or student incident. Management of this risk falls to SMG, who meet regularly, in line with the University's Disaster Recovery Plan.
- Resources risk – inability to recruit suitably qualified staff, sustain growth in physical footprint and ability to sign contract for student residential accommodation. This is actively managed by SMG.

The approach to Internal Control, will continue to be developed through 2024-25 to ensure it is fit for purpose as the University continues to expand. During 2023-24 no significant weaknesses or failings were found to report.

The University's ability to deliver its charitable purpose and objectives is primarily dependent on its key management personnel (KMP) and staff.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Below is a table listing all Trustees and key management personnel and their committee membership.

Name	Role*	The Board	ExCo	AC	RemCo	NC	AB	SMG
Chiara Alfano	KMP						X	X
Diana Bozhilova	KMP						X	X
Vanessa Carreras	KMP				X			X
Alice Chinbuah	Trustee	X						
Robert Farquharson	Trustee	X	X	X	X	X		X
Anthony C Grayling	KMP	X						
Naomi Goulder	KMP		X				X	
Ken Morrison	KMP							
Rebecca Morrison	KMP		X	X			X	X
Thomas Nedell	Trustee	X			X	X	X	
Elizabeth O'Connell	KMP							X
Kasim Randeree	KMP						X	
Martin Smith	KMP		X					X
Alison Statham	KMP							X
Julietta Tenant-Dexter	Trustee	X		X	X	X		
Sheena Van Der Merwe	KMP				X			X
Caroline Ward	KMP				X			X
Scott Wildman	KMP		X				X	X
Syed Zaidi	KMP							X

Structure and relationships

The company was incorporated on 16 July 2010 as Grayling Hall Limited. Since incorporation the company has had four 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
- 13 July 2022 – Northeastern University - London

On 19th February 2019 the issued share capital in the University 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'. Following approval for use of university title from DfE and OfS, it changed its name to Northeastern University – London on 13th July 2022 .

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 University is now controlled by the Board.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Subsidiaries & Linked Charities

The University 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 is now dormant.

During 2021-22 the University's subsidiary, New College of the Humanities Trust (charity number 1141608) transferred its assets to Northeastern University - London as a restricted grant for the purposes of providing Hardship grants to students, in line with the original intentions of these funds within the Trust. As at 30th June 2024, £38k of these funds remained within the Restricted reserves for future disbursement (2023: £66k).

Employment policy

The University 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.

STRATEGIC REPORT

OBJECTIVES, AIMS AND ACTIVITIES

Charitable objects

NU London'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 University's aim is to provide an outstanding 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 University'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 University 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 University's ambitions.

Objectives for the year

The main objective of the University 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

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

Fulfil the educational mission	As evidenced by the degree results and the NSS results the University fulfilled its educational mission. The increasing level of grant funding obtained by the University demonstrates its research capability
Deliver Northeastern programmes in London	Through the delivery of Northeastern programmes and the increasing number of research collaborations across the network during the academic year 2023/24 the University is delivering on that objective.
Property Strategy	Ensuring the University has the physical and human capital to support the objectives listed above is key. The high quality teaching expansion, the long term agreement with private student housing providers and the growth in employee numbers support the delivery of high quality teaching and research.

Public benefit statement

Founded in 2012, with the aim of providing the highest quality of education in the humanities and social sciences, the University has established itself as a prestigious institution based in the heart of London. Whilst students pay fees, the University 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 £131k and £138k. Further information regarding Public Benefit in the wider community 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 University has published its Access and Participation Plans as set out below.

The Trustees are also responsible for the interactions between the University and the OfS and its designated bodies and to ensure compliance with all of its conditions of registration with the OfS's accounts direction. R Farquharson in his capacity as CEO, is the nominated accounting officer with the responsibilities set out by the OfS.

ACCESS AND PARTICIPATION PLANS

The University 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 University is required to produce an Access and Participation Plan (APP). This forms the central element of the University's widening participation (WP) agenda. The APP outlines in detail how the University will assist students from groups that have historically been underrepresented within higher education with a particular focus on increasing the proportion of students from POLAR4 Quintiles 1 & 2, and IMD Quintile 1 backgrounds.

The APP benchmarks the University's performance against the national and regional average regarding these underrepresented groups, and specifically, what steps the University is taking to assist these groups in gaining access to education, success whilst at the University and progression on to graduate employment. The APP contains information about the University's historical performance against these metrics and the targets agreed upon by the Director of Fair Access and Participation at the OfS. The APP is a public document that provides a detailed analysis of the University's approach, information about specific WP activities, targets, and how the University will achieve them.

The Plan has been prepared in accordance with guidance produced by the OfS and has been approved by the Board. The Plan applies to UK (home domiciled) students who enter the University between the academic years 2019/20 to 2024/25 and its terms apply to those students for the duration of their studies at the University. The University has also submitted variation requests to the Plan in response to the updated priorities set out in

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

February 2022. In the 2023/24 academic year, the University has developed the APP which will apply to students from 2025/26 to 2028/29 which will be submitted to the OfS for review and approval in October 2024.

The University has undertaken a significant number of outreach events to increase student attainment, self-confidence and attract applicants. Of relevance to widening access, below are some examples of the works the University has engaged in:

Innerscope KS3&4 aspire programme: The University partnered with the coaching organisation Innerscope to offer 2-to-1 coaching sessions over five weeks to students in KS3&4 (aged 12-15). Students are introduced to several personal development topics to help reframe their mindset through goal setting, building resilience and raising self-belief. Each programme ended with a visit to the University campus, where students took part in academic taster lectures, received a campus tour and worked with student ambassadors and their peers whilst learning about life at university. The Innerscope programme was delivered in 4 schools with up to 16 students taking part in each school:

- Arts and Media School Islington
- Langdon Academy
- Bow School
- Stoke Newington School.

When asked what they found most useful about the programme, one Year 9 student commented: *"It made me want to try harder in school and it made me start realising that the small things matter"*

Campus and school visits: Another aspect of the University's outreach strategy includes welcoming schools and their students into the University to hear talks or participate in subject workshops. Across the 2023/24 academic year a total of 13 schools visited our campus, bringing almost 350 pupils from Year 8-12. In addition, the WP team and student ambassadors completed 26 school visits across Greater London to attend HE and careers fairs and to deliver talks and workshops.

A teacher from one of the school visits said: *"Today's visit gave a refreshing insight into university life for both students and staff. The students are now aware of smaller universities being available for those that may be overwhelmed with large institutions, and they are more aware of the diversity of university life"*

In November 2023, we hosted our first school for the brand new "Mapping Multiracial London" workshop. This is based on the exciting research of the Mapping Black London team and is delivered by their research assistants. Stoke Newington School brought 27 of their Year 12 A Level History and Geography students to campus to take part in a campus tour, personal statement workshop and the mapping workshop.

IntoUniversity: The University works with this charity to reach students from underrepresented groups. Across the year, around 225 learners from across London visited the University, with 5 Year 6 (aged 10-11) and 5 Year 8 (aged 11-12) visits. These were from schools and IntoUniversity centres including East Ham, Haringey, Hackney and Islington. The students receive an introduction to university life, a student ambassador-led campus tour and workshops delivered by IntoUniversity.

The Prince's Trust campus visits: In February 2024 we launched a new partnership with The Prince's Trust, a charity that supports young people who are struggling at school and/or are at risk of exclusion. The charity brought a group of Year 9-11s from two schools to campus for a Discover Day. The students heard an introduction to university, had a campus tour by student ambassadors and participated in an activity where they developed their own society and pitched this to their fellow classmates.

One teacher said *"the students stood up in front of people they didn't know to give their society presentations - this is something they wouldn't have said they could do before"*. Many of the students had social anxiety and the experience *"helped some of the students with their confidence."*

The Brilliant Club Parent Power: The University launched a brand new partnership with The Brilliant Club and their Tower Hamlets Parent Power group. The Parent Power model builds parent/carers communities across the UK, each one supported by a local partnership. Through support to develop community organising skills, as well as advice and guidance on accessing higher education, parents are empowered to ensure their children have a fair chance in education and their future careers.

The group works with parents/carers of Year 7-12 students from schools across Tower Hamlets. Between April

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

and July we hosted 4 group meetings on campus, welcoming parents/carers from across East London. The WP team delivered a range of IAG sessions to upskill the parents including, student finance, post 16 education options, careers after university and an introduction to degree apprenticeships. The group is campaigning for more access to work experience for their young people and will be exploring this further in the 2024/25 academic year.

Year 11 Summer School: In July 2024 the WP team hosted our largest ever on campus summer school. A total of 61 students from across London and the South East attended campus for 4 days. They took part in a range of academic taster sessions (Law, Psychology, Computer Science and an Interdisciplinary session covering History, English and Philosophy) to give them a taste of studying these subjects at university. They also took part in sessions such as study skills, student finance and student life to prepare them for their transition to sixth form/college and later, university.

When asked what difference the summer school made, one student said: *"It helped me clear the misconceptions I had about university and allowed me to learn what I should be doing as next steps to university like doing research on the subject I want to do."*

The University works collaboratively to create and inform the outreach activities and effective evaluation methods of initiatives with relevant institutions. For example, since 2020, the University has been a member of SEER, which supports the outreach initiatives through an independent evaluation of the impact of interventions.

The initiatives outlined above are indicative of the work the University has always undertaken to promote access to higher education and raise awareness among underrepresented groups of the advantages of studying at university. Such programmes will continue and expand as school partnerships develop further.

Financial Support

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

Since its inception the University 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 University considers the household income of the applicant/applicant's family, and the size of the award is linked to that income. During 22-23, 45 students were in receipt of a bursary, total amount of bursaries paid amounted to £144k, 26 of these students were classified as 'Widening participation' students with 718k of the allocated bursaries.

The University 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. During 2023-24, 27 students received a total of £27,680 in Hardship Fund payments (22-23; 10 students, £6,000).

In addition to means tested support, the University automatically considers every applicant for an academic scholarship of up to £3,000 based on predicted grades.

Alumni relations

The University 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 University wide events.

Sustainability and Carbon Reporting

The University is committed to promoting and contributing to the Sustainable Development Goals (SDG). In response to climate change emergency, the institution is fully committed to monitoring and reducing carbon

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

emissions from its operations and activities, through supporting and encouraging collaboration, innovation and engagement across The University community, and delivering Net Zero by 2050

During financial year to June 2024, The University has continued work on its sustainability strategy this included improving the accuracy of its information / data collected which was done by the University engaging a firm of experts to review and quantify the progress against this strategy. Max Fordham, in conjunction with key stakeholders at the institution, provided a report on the University's Scope 1 and 2 emissions as well as progress from two prior years. The report was produced in accordance with GHG Reporting protocol – Corporate Standard and used the UK Government's conversion factors for Company reporting.

Total University Scope 1 & 2 Emissions for years ending June 2023 and June 2024

	Scope	July 2021-June 2022		July 2022-June 2023		July 2023-June 2024	
Emissions for combustion of gas for heating	Scope 1	1,200,141 kWh	216.03 tCO ₂ e	1,278,214 kWh	230.08 tCO ₂ e	1,325,883 kWh	238.66 tCO ₂ e
Emissions from purchased electricity	Scope 2	259,091 kWh	53.63 tCO ₂ e	307,238 kWh	63.60 tCO ₂ e	506,241 kWh	106.79 tCO ₂ e
Total Scope 1 & 2 emissions		1,459,232 kWh	269.66 tCO₂e	1,585,452 kWh	296.68 tCO₂e	1,832,125 kWh	343.45 tCO₂e
Building floor area			4,524 m ²		6,254 m ²		6,996 m ²
Carbon Intensity Ratios (Total tCO ₂ e per operational floor area)			0.060 tCO ₂ e/m ²		0.047 tCO ₂ e/m ²		0.049 tCO ₂ e/m ²

As the table above shows the University has made strides to actively manage its carbon emissions over the last two years. Overall increases are mainly due to the significant increase in our campus size, which will continue to grow in the coming years. The overall property strategy includes a commitment to sustainability built into our refurbishment strategy where we use BREEM methodology and working closely with our landlords once we are in occupation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Review of achievements and performance for the year

During the year, the University 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 University hosted 434 students on London Validated courses (2023: 381) and 1361 students visiting from Northeastern University for one of their Study Abroad programmes (2023: 770). The University continues to have a strong growth strategy in the short and medium term supported by the enrolment of students from our parent institution. This growth has informed our property strategy and capital investment plans.

In 2024 30% of graduating students obtained a first class degree, and 55% a 2:1 (2023: 38.5% and 51% 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 2024, 75% of eligible NU - London students completed the NSS survey (2023: 80%). The response rate was 3% higher than the national response rate.

The University scored above the national average in three themes (sets of themed questions), and below average in seven themes. The strongest themes were 'The Teaching on my Programme', 'Assessment and Feedback' and 'Academic Support', scoring 2% above the sector average. The lowest themes were 'Student Union' and 'Learning Resources', which scored -20% and -17% below the average.

Based on NSS quantitative data, there appear to be two differing student experiences between apprenticeship students and non-apprenticeship students. Qualitative data shows that themes around teaching and learning remain a strength at the University for non-apprenticeship students, while the Academic Support theme for apprenticeship also performed strongly.

NSS qualitative data supports the strength of teaching and learning at the University, however, it shows that there is a feeling from students that they feel the University's identity and sense of community is changing due to the acquisition by Northeastern University.

FINANCIAL REVIEW

Results for the year

Total income was £62.6m representing an 42% improvement from prior year (£44.2m, 2023). Turnover changed in income streams as follows:

- London Validated UG and PG provision income increased by £1.6m
- Northeastern University Mobility in London provision increased by £17m
- Business Development (inc. apprenticeships) provision increased by £0.9m
- Restricted capital grants from Northeastern University decreased by £6.4m
- Remaining income (including Other income, unrestricted grants and interest) increased by £5.3m

Total expenditure increased by 62% to £57.7m (2023: £35.5m), which reflects both the increase in activity, primarily the mobility programme mentioned above and the increase in property related costs. University staff costs now represent 32% of total expenditure (2023: 34%) and increased by £6.3m since 2023. Property costs increased by £7.3m and Depreciation by £1.1m, due to the continued expansion of our campus to accommodate increase in student numbers. The current strategy is to continue this expansion leading to financial growth and robustness.

Reserves Policy

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN
UNIVERSITY - LONDON
FOR THE YEAR ENDED 30 JUNE 2024**

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

- Current and projected levels of general reserves;
- Level of Working Capital required to operate effectively;
- The impact of seasonality;
- The University's risk appetite;
- The University'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 University faces, with particular attention to the timing of the risk and its severity.

With this in mind the University is working towards a general reserve ranging between £15m and £25m in order to fund its operations (2023: £6.3m).

The total reserves for the University at the year end were £21.3m (2023: £16.4m), including £4.6m of restricted funds, which mostly relate to unspent capital grants. It should also be noted that this includes a designated fund of £25.5m represented by Fixed Assets which are not available for general use so the general reserve position after these adjustments is £(8.8)m (2023 (£7.9m)), £23.8m short of the lower range in our target. Until the University 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Going Concern

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

The initiatives mentioned in the 'future plans' section below, including the growth in student numbers, the launching of double validated degrees and the development of research capabilities will result in steady growth of revenues over the next few years and management have carefully considered the resources required to meet this growth when budgeting to ensure it is sustainable and viable.

The negative general reserves position is a result of historical losses incurred in the infancy and growth phases of the University. The University has only recently started to move from an operational deficit to operational breakeven position, with a view to producing surpluses within the next 4 years and 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 University has reached a point of overall financial self-sufficiency.

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

Fundraising

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

FUTURE PLANS

The future plans include:

- Teaching and Learning
 - Continue growing the numbers of students in the University and expand the offering of courses to both undergraduate and graduate students as well as study abroad (mobility) students. Student numbers have gone from 300 in 2020 to over 1,700 in 2022-23 and the University hopes to grow student numbers steadily year on year both in its face to face and online provision.
 - Increasing the offering of workplace learning opportunities building on the Apprenticeships launched in October 2020.
- Research
 - Develop the research capabilities in London both in terms of people and infrastructure, therefore increasing the revenue derived from research funding and prepare for a Research Degree Awarding Powers application.
- Infrastructure to support Teaching and Learning and Research
 - Following the move to Devon House in St Katherine's Dock, which already offered considerably increased space expansion, the University has opened part of its Portsoken leased space and will continue to develop that space through FY25 and FY26.
- Relationship with Its Parent
 - 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 University'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 NU London's working cash flow requirements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

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 University 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.

Additionally, since the change in status to University approved by the Privy Council in 2022, Northeastern University – London is now also required to comply with all requirements in the Statement of recommended practice: accounting for further and higher education (FE/HE SORP) over and above those requirements as refined in the Charity SORP.

The following summarises how the University's Board fulfils its duties under Section 172 Companies Act 2006:

In the performance of its duty to promote the success of the University, the Board considers the various stakeholders when arriving at business decisions. The Board oversees the responsible management of the University's teaching and learning and research activities to ensure it operates to the high standards of business conduct and good governance expected from the University.

The Board fully understands the potential impacts of the decisions it makes for our stakeholders, the environment and the communities in which it operates.

Engagement with the University's main stakeholder groups, including our students, employees and local community is set out below;

Employee Engagement

Our employees both Faculty and Professional Staff are fundamental to the success of our business. Therefore, our success depends on our ability to engage and work together effectively and constructively. The Board aims for the University to be a responsible employer in its approach to the pay and benefits of employees. The health, safety and wellbeing of employees is one of the primary considerations in the way the Board conducts its business.

In 2023/4, the following activities have been performed:

- Regular Faculty meetings with the Executive Principal & Dean including meetings with representatives of the University and Colleges Union (UCU).
- Monthly Professional staff meetings run by the CEO to update staff on key developments.
- Dissemination through the Senior Management Team to their respective teams and these key employers acting as a conduit of information back through the Executive Committee and Academic Board to the Board
- Regular newsletters and communications to all staff as well as various staff events

Student Engagement:

Our students are central to the University fulfilling its Charitable objectives and as such there are many ways that the Board understands the key concerns of the student body.

In 2023/4, the following activities have been performed:

- As an English HEI, the University is part of the National Student Survey that all third year undergraduate students are able to complete. This evaluates the performance of the Institution across a number of

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN
UNIVERSITY - LONDON
FOR THE YEAR ENDED 30 JUNE 2024**

- metrics which inform how the University improves its teaching and learning
- o There are also opportunities for regular feedback as part of the overall 'Student Voice' strategy in terms of our governance structures and feedback exercises
- o Finally there is engagement with the Student's Union on a regular basis to understand their concerns and priorities

Other key stakeholders include our regulators and the community in which we are located.

- o Regulators are a key stakeholder in terms of our licence to operate and we engage with them directly and as part of trade bodies such as Guild HE.
- o Engaging with the local community in which we operate is important and we have held sessions with local tenant associations, offered free events to the local community and have also endeavoured to source locally, where possible.
- o Suppliers – we have payment runs twice monthly and ensure that all suppliers are paid in a timely manner

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the University'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, the Accounts Direction as issued by the Office for Students (OfS) and the Charities and FE /HE SORPs. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

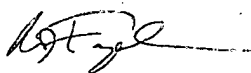
Each of the persons who are Trustees at the time when this Annual Report is approved has confirmed that:

- 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 University'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 University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information

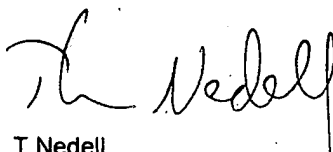
AUDITORS

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 20th November 2024 and signed on its behalf



R Farquharson
Trustee



T Nedell
Trustee & Chair of Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

Opinion

We have audited the financial statements of Northeastern University - London ('the charitable company') for the year ended 30 June 2024 which comprise the Statement of Comprehensive Income and Changes in Reserves, Statement of Financial Position, 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 2024 and of its income and expenditure, gain and losses, changes in reserves and of the cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- has been prepared in accordance with the requirements of the *Statement of Recommended Practice – Accounting for Further and Higher Education* and the OfS Accounts Direction (issued October 2019) ('the OfS Accounts Direction').

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

- 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.

Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material respects:

- funds from whatever source administered by the charitable company for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

We have nothing to report on the following matters where the OfS Accounts Direction requires us to report to you where:

- the charitable company's grant and fee income, as disclosed in notes 2 and 3 to the accounts, has been materially misstated.
- The charitable company's expenditure on access and participation activities for the financial year has been materially misstated.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN UNIVERSITY - LONDON FOR THE YEAR ENDED 30 JUNE 2024

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: <https://www.frc.org.uk/auditorresponsibilities>. 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, Charities Act, taxation legislation, together with the Statement of Recommended Practice – Accounting for Further and Higher Education and the OfS Accounts Direction. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 charitable company's to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The other laws and regulations we considered in this context for the charitable company 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.

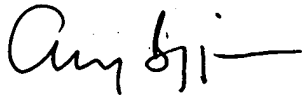
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to the risk these risks included enquiries of management about their own identification and assessment 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHEASTERN
UNIVERSITY - LONDON
FOR THE YEAR ENDED 30 JUNE 2024**



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP, Statutory Auditor
Cheltenham

Date: 27 November 2024

NORTHEASTERN UNIVERSITY – LONDON

STATEMENTS OF COMPREHENSIVE INCOME AND CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	2023 £'000
INCOME FROM:					
Tuition Fees and Education contracts	2	49,490	-	49,490	30,427
Governmental grants	3	-	214	214	134
Grants from parent entity					
Teaching & Research	4	4,393	-	4,393	-
Capital Grants	4	-	5,793	5,793	12,186
Research Grants and Contracts	5	-	34	34	82
Investment Income	7	87	-	87	35
Other Income	6	2,612	-	2,612	1,334
		<u>56,582</u>	<u>6,041</u>	<u>62,623</u>	<u>44,199</u>
EXPENDITURE ON:	8				
Staff Costs	9	18,532	-	18,532	12,244
Other operating expenses		23,911	268	24,179	16,665
Building Costs		12,278	-	12,278	4,979
Depreciation		2,738	-	2,738	1,647
Interest and other finance costs		11	-	11	10
		<u>57,470</u>	<u>268</u>	<u>57,738</u>	<u>35,545</u>
(DEFICIT) / SURPLUS BEFORE TAX		(888)	5,773	4,885	8,654
Taxation		-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		(888)	5,773	4,885	8,654
Transfer between funds	16	9,585	(9,585)	-	-
TOTAL COMPREHENSIVE INCOME		8,697	(3,812)	4,885	8,654

STATEMENT OF CHANGES IN RESERVES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
BALANCE AT 1ST JULY 2022		6,090	1,697	7,787
Surplus from the I&E statement		(3,487)	12,141	8,654
Transfer between funds		5,398	(5,398)	-
		<u>1,911</u>	<u>6,743</u>	<u>8,654</u>
BALANCE AT 1ST JULY 2023		8,001	8,440	16,441
Surplus from the I&E statement		(887)	5,772	4,885
Transfer between funds		9,584	(9,584)	-
		<u>8,697</u>	<u>(3,812)</u>	<u>4,885</u>
BALANCE AT 30TH JUNE 2024		16,698	4,628	21,326

All items of income and expenditure are related to continuing activities.
The accompanying notes 1 to 22 form an integral part of these financial statements.

NORTHEASTERN UNIVERSITY – LONDON

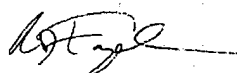
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

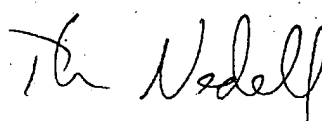
	Note	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible Assets	10	29,628	18,320
Investments	11	<u>1</u>	<u>1</u>
		29,629	18,321
CURRENT ASSETS			
Debtors	12	6,784	3,870
Cash at bank and in hand		<u>4,249</u>	<u>10,557</u>
Total current assets		11,033	14,426
LESS CREDITORS: falling due within one year	13	<u>(10,554)</u>	<u>(13,922)</u>
NET CURRENT ASSETS / (LIABILITIES)		479	504
TOTAL ASSETS LESS CURRENT LIABILITIES		30,108	18,825
Provisions for liabilities & creditors due after one year	14	(8,782)	(2,384)
		<u>21,326</u>	<u>16,441</u>
FUNDS			
Restricted funds	16	4,628	8,440
Unrestricted funds	16	(8,822)	(7,935)
Unrestricted funds	16	25,520	15,936
TOTAL FUNDS		<u>21,326</u>	<u>16,441</u>

The accompanying notes 1 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 20th November 2024 and were signed on its behalf by:



R Farquharson, Trustee



T Nedell, Trustee & Chair of Audit Committee

Registered number: 07317195

NORTHEASTERN UNIVERSITY – LONDON

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £'000	2023 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations (see below)		5,933	14,993
Net cash from operating activities		<u>5,933</u>	<u>14,993</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,328)	(7,044)
Investment income		87	35
Net cash used in investing activities		<u>(12,241)</u>	<u>(7,009)</u>
Net increase / (decrease) in cash and cash equivalents		(6,308)	7,984
Cash and cash equivalents at beginning of period		10,557	2,573
Cash and cash equivalents at end of period (see below)		4,249	10,557
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities			
Net income / (expenditure)		4,885	8,654
Adjustments for:			
Depreciation	8	2,738	1,647
Loss on Disposal of Fixed Assets	8	6	-
Investment income	7	(87)	(35)
(Increase) / Decrease in trade and other receivables	12	(2914)	(640)
Increase / (Decrease) in trade payables (inc. short term provision)	13	1,661	5,367
Increase / (Decrease) in provisions	14	(356)	-
Cash generated from operations		<u>5,933</u>	<u>14,993</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank		4,249	10,557

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1.1 Company Information

Northeastern University - London 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 University changed its name Northeastern University – London on 13th July 2022.

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) and the OfS Accounts Direction (2019).

1.3 Going Concern

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

The initiatives mentioned in the 'future plans' section below, including the growth in student numbers, the launching of double validated degrees and the development of research capabilities will result in steady growth of revenues over the next few years and management have carefully considered the resources required to meet this growth when budgeting to ensure it is sustainable and viable.

The negative general reserves position is a result of historical losses incurred in the infancy and growth phases of the University. The University has only recently started to move from an operational deficit to operational breakeven position, with a view to producing surpluses within the next 4 years and 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 University has reached a point of overall financial self-sufficiency.

The Trustees have a reasonable expectation that the University has sufficient resources and support from its parent, Northeastern University in Boston 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 Northeastern University - London 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.

External research grants are accounted for in restricted income and mostly disbursed in the year received.

Additionally, the University is in receipt of ESFA income for the provision of apprenticeship training, this is treated as restricted and recognised based on entitlement.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The University 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	10% straight line
Leasehold improvements	over the lease 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 University has no intangible fixed assets as at the date of signing these accounts.

1.8 Pension

The University 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 University 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 University 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 University 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 University.

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 University's new campus. At the year £1.6m remained unspent but designated for the purpose of fixed asset development.

Following the decision to close the related trust, New University of the Humanities Trust (Trust), charity ref number 1141608, the Trust transferred the remaining assets (£78k) to the University, 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. During 23-24 £28,000 (2023: £6,000) of this fund were released to support students with financial needs leaving a fund of £38k to disburse in future years.

1.11 Financial Instruments

The University 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

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

Investment in subsidiary

The investment in subsidiary is measured at cost less impairment.

1.12 Redundancy payments

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

1.13 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 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.

1.13.1 Provisions

Provisions are recognised when the University 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.

A key provision is the Restitution estimate for lease sites in line with contract agreements. The University capitalises the restitution value over the term of the lease. The calculation is initially based on estimates at the point of completing the works for any given site. Thereafter the University will review the restitution estimates if the use or fabric of the property fundamentally changes or every five years if it does not to ensure the estimates are still appropriate and current market values are applied.

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.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024 £'000	2023 £'000
2 TUITION FEES AND EDUCATION CONTRACTS		
Unrestricted fee Income		
Fee income – Taught Awards		
Tuition Fees - UK Undergraduates	4,424	2,963
Tuition Fees - UK Postgraduates	549	404
Tuition for Part time Undergraduate Apprentices	1,954	1,302
Tuition Fees - Part time Postgraduate Apprentices	997	533
BD* Credit bearing short courses	52	295
Total Taught awards	<u>7,976</u>	<u>5,947</u>
Fee income – non Qualifying courses		
Tuition Fees - Northeastern University Programmes	41,276	24,231
BD* Non-credit bearing short courses	238	699
Total non-Qualifying courses	<u>41,514</u>	<u>24,930</u>
Total Fees	<u>49,490</u>	<u>30,427</u>
The fee income above is net of all student support as follows:		
Bursaries for Non-WP students **	80	75
Scholarships – Undergraduate students	49	86
Scholarships – Postgraduate students	82	14
	211	175

* Business Development division primarily dealing with Apprenticeship programmes

** Bursaries for Widening Participation Students area accounted for as a cost in the relevant department.

	2024 £'000	2023 £'000
3 FUNDING BODY GRANTS		
Restricted		
OfS Teaching Grant	169	109
OfS Capital Grant	45	25
Total Restricted Funding Body Grants	<u>214</u>	<u>134</u>
4 GRANTS FROM NORTHEASTERN UNIVERSITY		
Unrestricted		
Teaching and Learning grant	4,393	-
Restricted		
Capital Development (Devon House)	5,793	12,186
Total Restricted Capital Grants from NU	<u>10,186</u>	<u>12,186</u>

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		£'000	£'000
5	RESEARCH GRANTS AND CONTRACTS		
	Restricted		
	External research grants	34	82
	Total Research Grants and Contracts	34	82
	TOTAL INCOME FROM FEES AND GRANTS (NOTES 2-5)	59,924	42,829
6	OTHER INCOME		
	BD Division other income	270	295
	Other academic income	408	946
	Student Accommodation Income	1,412	-
	Miscellaneous income	522	93
	Total Other Income	2,612	1,334
7	INTEREST INCOME		
	Interest (investment) income	87	35
	Total Other Income	87	35
	Total income	62,623	44,198
8	ANALYSIS OF EXPENDITURE		
	Staff costs	18,533	12,244
	Other operating expenses	24,179	16,665
	Building costs	12,276	4,979
	Depreciation costs	2,738	1,646
	Interest and other finance costs	11	10
	Total Expenditure	57,737	35,544
	Analysis of Other operating expenses		
	Teaching and Research non pay expenses	20,207	13,807
	Student Recruitment activities	299	283
	Admissions & Access and Participation	194	209
	Marketing Activities	938	761
	Other Support (inc HR, Finance & IT)	2,473	1,542
	Governance costs (see below)	68	64
	Total Operating Expenses	24,179	16,665

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

8 ANALYSIS OF EXPENDITURE (Continued)

Governance Costs comprise	£'000	£'000
Auditors remuneration – audit services	63	39
Auditors remuneration - tax and other services	5	25
Total Governance Costs	68	64
Access and Participation Costs comprise	£'000	£'000
Access investment	142	147
Financial support provided to students in the financial year*	58	71
Research and evaluation	23	18
Support for disabled students in the financial year	-	-
Total APP Costs	223	236

* Financial support costs in the table above include £62k for wages not included in the Admissions & Widening Participation figure above as they are reported within Direct Staff Costs allocated to T&R (2022: £42k).

9 STAFF COSTS	2024	2023
The aggregate staff costs for the year were as follows	£'000	£'000
Salaries and wages	15,526	10,246
Social Security costs	1,691	1,135
Pension costs (Stakeholder and Occupational schemes)	1,205	790
Other benefits	110	66
Total Staff Costs	18,532	12,237
Aggregate employee benefits of key management personnel (KMP)	2,127	1,616
Key management personnel are listed on page 2.		
Average number of employees on a full time equivalent basis was as follows:		
Trustees	1	1
Tuition and research	137	109
Support	188	128
Total	326	238
Average number of employees on an actual basis was as follows		
Trustees	1	1
Tuition and research	199	154
Support	264	110
Total	464	265

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

9 STAFF COSTS (Continued)

Number of higher paid employees with aggregate employee benefits in excess of £60k:	2024	2023
£60,001-£65,000	9	7
£65,001-£70,000	4	7
£70,001-£75,000	10	2
£75,001-£80,000	4	3
£80,001-£85,000	3	1
£85,001-£90,000	2	3
£90,001-£95,000	4	1
£95,001-£100,000	3	-
£100,001-£105,000	-	2
£105,001-£110,000	1	-
£110,001-£115,000	2	-
£120,001-£125,000	-	1
£150,001-£155,000	1	-
£165,001-£170,000	-	1
£170,001-£175,000	1	-
£195,001-£200,000	-	1
£210,001-£215,000	-	1
£220,001-£225,000	1	-
£225,001-£230,000	1	-
Total	46	30

There were three ex-gratia payments in the year amounting to £60,967.49 (2023 - £nil).

Number of employees with a basic salary (FTE) in excess of £100,000

The number of staff including the CEO whose FTE basic salary (before salary sacrifice and excluding bonuses, employer's pension contribution) in excess of £100,000 in the following ranges was:

	2024	2023
£100,001-£105,000	-	2
£105,001-£110,000	2	-
£110,001-£115,000	1	-
£115,001-£120,000	-	1
£150,001-£155,000	1	-
£160,001-£165,000	-	1
£165,001-£170,000	-	1
£170,001-£175,000	1	-
£185,001-£190,000	1	0
£205,001-£210,000	-	1
£220,001-£225,000	1	-

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

9 STAFF COSTS (Continued)

HEAD PROVIDER (TRUSTEE REMUNERATION) DISCLOSURES

In accordance with the Articles of Association, the CEO (Head of the Provider for the whole year) R Farquharson, received a basic salary of £224,751 during the year (including a bonus of £38,100), of which £15,496 was paid into a pension scheme by way of salary sacrifice. In addition to this the University also paid £17,070 in employer pension contributions. This is included in the above note as R Farquharson is classed as KMP as well as a Trustee, due to his role as CEO. He is a member of the University Salary Sacrifice pension scheme and is not in receipt of any other benefits.

The Head of Provider basic salary ratio is 4.2:1 to the median salary in the University. The ratio of his total remuneration including other benefits is also 4.2:1 compared to the median.

In the prior year, R Farquharson's remuneration was of £198,812 (inclusive of £33,480 bonus payments) and salary sacrifice amounting to £6,770 for pension payments. The University made further pension contributions of £7,465.

The process for reviewing the salary for the Head of Provider is as follows:

- UCEA salary benchmark data is purchased and then used to review the level of remuneration of the relevant members of staff compared to equivalent UK HE providers in terms of the University's size, development and location.
- This external benchmarking data is then analysed by the Board of Governors' remuneration committee in light of the overall performance of the University, which it monitors via Board meetings, and performance of Head of Provider. This performance reviews educational, financial, regulatory and operational performance of the University.
- The Remuneration committee in assessing the performance of the University and the contribution provided by the Head of Provider to this performance felt that this merited the level of remuneration of the Head of provider on a standalone basis and in comparison to other institutions.
- The Remuneration committee of the Board is formed of all governors, excluding the Head of Provider.

There were no expenses relating to travel and accommodation incurred in his capacity as Trustee in the current and prior year.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

10 TANGIBLE FIXED ASSETS

	OT £'000	FF £'000	TE £'000	AUC £'000	LI £'000	Total £'000
Cost						
At 1 July 2023	3,182	2,217	55	1,806	13,691	20,951
Additions	1,876	1,384	29	10,764	-	14,053
Disposals	(12)	-	-	-	-	(12)
Transfers from AUC to LI	-	-	-	(4,714)	4,714	-
At 30 June 2024	5,046	3,601	84	7,856	18,405	34,992
Depreciation						
At 1 July 2023	1,273	269	9	-	1,079	2,632
Charge in the year	1,102	303	16	-	1,318	2,738
Disposals	(6)	-	-	-	-	(6)
At 30 June 2024	2,369	572	25	-	2,397	5,364
Net book value						
As at 30 June 2024	2,677	3,029	59	7,856	16,008	29,628
At 30 June 2023	1,909	1,945	46	1,806	12,612	18,320

* OE - Office Equipment

****AUC - Assets Under Construction

** FF - Fixtures and Fittings

*****LI - Leasehold Improvements

*** TE - Teaching Equipment

11 FIXED ASSET INVESTMENTS

	£'000
Investment in Subsidiaries	
Cost	
At 1 July 2023	1
Additions	-
	<u>1</u>
At 30 June 2024	1
Net book value	
As at 30 June 2024	<u>1</u>
At 30 June 2023	<u>1</u>

The University'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 was the provision of higher education in the humanities. NCHL is now dormant so it had no trading activity, its net reserves remain £75,598, as per June 2020. Reserves include a balance owed to NU London which is now impaired in these accounts as it is deemed unlikely it will be repaid in the medium term. This entity has not been included within the consolidation on the grounds that the entity is immaterial to the group.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

12 DEBTORS

	2024 £'000	2023 £'000
Trade debtors	20	110
Amounts due from Parent Company	36	336
Prepayments and accrued income	6,600	2,530
Other debtors	128	893
Total	6,784	3,870

13 CREDITORS

	2024 £'000	2023 £'000
Amounts falling due within one year		
Trade creditors	4,058	2,257
Accruals and deferred income	5,241	10,356
Tax and social security	488	334
Dilapidation provision for previous leasehold**	-	356
Short term provision	67	96
Other creditors	700	523
Total	10,554	13,922

** The movement in creditors from 2023 included in the Statement of Cashflows removes the release of the Dilapidation provision included above as it had already been accounted for as part of provisions.

	2024 £'000	2023 £'000
Amounts falling due after one year		
Nominal rent accrual falling beyond one year	4,674	-
Restitution provision (see note 14)	4,108	2,384
Total	8,782	2,384

Amounts falling due after one year in 2023 for nominal rent was included within accruals in amounts due within one year. Had this been reported as a long term creditor, long term creditors would have been increased by £2,788k to £5,172k. Accruals would have been reduced to £7,568k with current creditors reduced overall to £11,134k.

14 PROVISIONS

	Dilapidation £'000	Restitution £'000	Other provisions £'000	2024 Total £'000	2023 Total £'000
Balance brought forward	356	2,384	96	2,836	1,635
Released in the period	(356)	-	(29)	(385)	-
Provided for in the period	-	1,724	-	1,724	1,201
	-	4,108	67	4,175	2,836

The dilapidation provision related to the University's former premises. Work was ongoing since 2022 but in 2023/24 the university received the landlord's confirmation of completion and were able to release the funds.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

In 2021 a provision was created against the costs of restitution for the leasehold in Devon House, which spans 15 years. In addition in 2024 a provision was created against two other buildings leased by the university; Portsoken and Vine Street. These costs were estimated by our surveyors Hennessy Godden and are reviewed on an annual basis to include any changes of estimates as well as any additional leasehold properties that require a restitution. This provision is included in creditors due after one year.

The Other provision relates to potential repayments concerning non qualifying fee income.

15 OPERATING LEASE COMMITMENTS

During the year £22,583 was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2023: £3,423k). At 30 June 2024 the University had the following total commitments under non-cancellable operating leases over the remaining life of these leases.

	2024 £'000	2023 £'000
Land and Buildings		
Within one year	3,979	3,381
Between two and five years	38,115	17,160
After more than five years	62,221	31,035
	104,315	51,576

In October 2020 the University signed a 15 year lease for 3 spaces within Devon House, St Katherine's Dock. 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.

In December 2021 the University signed a further lease for Second Floor East of Devon House to run concurrently with existing lease, which also includes similar rent free periods.

In December 2022 the University signed a 13 year lease for the first, second and third floor of Marble Quay, St Katherine's Dock. The lease offered a rent free period of 20 months at the beginning of the contract.

At the same time the University also signed a 13 year lease for the ground floor and basement of Marble Quay, St Katherine's Dock. The lease offered a rent free period of 23 months at the beginning of the contract.

In May 2023 the University signed a four year lease for Moretown and in February 2024 an 11 year lease for Portsoken.

The schedule above reflects the timing of actual payments to the landlord and reflects the rent free periods.

In addition to the above, the University enters into contractual agreements with various student accommodation providers in advance of the academic year to ensure provision of accommodation to students both in our mobility programmes and UK undergraduate programmes. Below represents contractual commitments not yet paid for at year end.

	2024 £'000	2023 £'000
Student Accommodation commitments		
Within one year	25,293	17,748
Between two and five years	43,190	-
After more than five years	1,117	-
	69,600	17,748

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

16 FUNDS NOTE FOR CURRENT YEAR AND PRIOR YEAR

2024	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	Balance at 30 June 2024 £'000
Unrestricted funds					
General Reserves					
– P&L	(40,539)	56,582	(57,470)	-	(41,427)
– Capital	32,604	-	-	-	32,604
Designated funds - FA	15,936	-	-	9,585	25,520
	8,001	56,582	(57,470)	9,585	16,698
Restricted funds					
NCH Trust	66	-	(28)	-	38
External Grants	25	202	(195)	-	32
Capital Funding	8,349	5,838	(45)	(9,585)	4,558
	8,440	6,041	(268)	(9,585)	4,628
Total funds 2024	16,441	62,623	(57,738)	-	21,326
2023	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	Balance at 30 June 2023 £'000
Unrestricted funds					
General Reserves					
– P&L	(37,052)	31,797	(35,284)	-	(40,539)
– Capital	32,604	-	-	-	32,604
Designated funds - FA	10,538	-	-	5,398	15,936
	6,090	31,797	(35,284)	5,398	8,001
Restricted funds					
NCH Trust	72	-	(6)	-	66
External Grants	64	191	(230)	-	25
Capital Funding	1,561	12,211	(25)	(5,398)	8,349
	1,697	12,402	(261)	(5,398)	8,440
Total funds 2023	7,787	44,199	(35,545)	-	16,441

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Analysis of net assets between funds:

2024	Restricted £'000	Unrestricted £'000	Designated £'000	Total Funds £'000
Fixed Assets	-	-	29,628	29,628
Net Current Assets	4,628	(8,822)	-	(4,194)
Provisions	-	-	(4,108)	(4,108)
	<u>4,628</u>	<u>(8,822)</u>	<u>25,520</u>	<u>21,326</u>

2023	Restricted £'000	Unrestricted £'000	Designated £'000	Total Funds £'000
Fixed Assets	-	-	18,320	18,320
Net Current Assets	8,440	(7,935)	-	505
Provisions	-	-	(2,384)	(2,384)
	<u>8,440</u>	<u>(7,935)</u>	<u>15,936</u>	<u>16,441</u>

17 SHARE CAPITAL

	2024 £'000	2023 £'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>

18 FINANCIAL INSTRUMENTS

	2024 £'000	2023 £'000
Financial assets measured at amortised cost	5,252	13,020
Financial assets measured at fair value	-	-
Financial liabilities measured at amortised cost	(16,645)	(9,833)
	<u>(11,393)</u>	<u>3,186</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 and deferred income.

NORTHEASTERN UNIVERSITY – LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

19 CAPITAL COMMITMENTS

As at 30th June 2024 the University was undergoing a capital project to refurbish the Portsoken Project from office to teaching space. The committed costs of the project at that date were £8,381,183 of which £4,429,020 had been spent already, leaving a further capital commitment beyond year end of £3,952,163.

20 RELATED PARTY TRANSACTIONS

The University'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>.

There were no related transactions in the year with the subsidiary, NCHL, due to the latter being dormant. See note 8 for reference to impairment of debit owed from NCHL to NU London.

20.1 INTERCOMPANY TRANSACTIONS

The University received £52.3m from its parent company during 2023-24. £41.3m for UG mobility provision, £5.8m for Capital Grants, and £0.8m for other services. As at 30th June 2024 £36k of this remained due to the University (see note 12).

21 CONTINGENT LIABILITIES

The University had no contingent liabilities as at 30 June 2024.

22 POST BALANCE SHEET EVENTS

The University had no post balance sheet events.