

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales · Charity number 236586

Details

Other names	THE NETHERHALL EDUCATIONAL ASSOCIATION, THE NETHERHALL EDUCATIONAL ASSOCIATION LIMITED, NEA
Status	Registered
Legal form	Other
Company number	00793583
Registered	1965-04-22
Register	View on the Charity Commission register

Contact

Address	18a Netherhall Gardens London NW3 5TH
Phone	02077949996
Email	office@nea.netherhall.org.uk
Website	www.nea.netherhall.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND LEARNING AND THE TRAINING OF CHARACTER IN ACCORDANCE WITH CHRISTIAN PRINCIPLES AND IDEALS AND FOR THAT PURPOSE TO OWN AND OPERATE EDUCATIONAL ESTABLISHMENTS. (FOR FURTHER DETAILS SEE MEMORANDUM AND ARTICLES).

Activities: Our objects are the advancement of education and learning and the training of character in accordance with Christian principles and ideals. To do this NEA owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£3,570,108	£2,809,741	£30,510,756	48
2023-09-30	£2,816,390	£2,925,773	£29,673,044	47
2022-09-30	£3,006,475	£2,773,752	£29,567,487	46
2021-09-30	£3,223,318	£2,815,801	£30,175,062	48
2020-09-30	£3,151,652	£3,829,266	£29,748,091	38

Trustees

Name	Role	Appointed
JACK VALERO	Chair	
ANDREW HEGARTY		
Dr ANDREW JAMES CURTIS		
Edward Allen Victor Thompson		2020-03-16
Howard Trust		2024-02-26
Raul Rosales Araque		2024-02-26
Xavier Bosch		2016-09-23

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales - Charity number 236586

Accounts

NETHERHALL EDUCATIONAL ASSOCIATION

(Limited by Guarantee)

Company No. 793583

**Registered as a charity in England and Wales (No. 236586)
and in Scotland (No. SC039209)**

TRUSTEES' REPORT

AND

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 2024

Netherhall Educational Association
(Limited by Guarantee)
Company Information

Trustees

X. Bosch, BA, FCA (chairman)
A.J. Curtis, MA, PhD
A.J. Hegarty, MA, DPhil
R Rosales PhD (from 26 October 2023)
E.A.V Thompson
H Trust MA (from 25 January 2024)
A. Tucker
J. Valero, MSc, DIC

Secretary

J.P. Covenden, BA, LL.B

Auditors

UHY Ross Brooke
Suite I Windrush Court,
Abingdon Business Park,
Abingdon
OX14 1SY

Bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EZ

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Registered Office

18a Netherhall Gardens
London
NW3 5TH

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2024

The Trustees, who are the company directors of Netherhall Educational Association (NEA), submit their Annual Report together with the Accounts and Auditors' report for the year ended 30th September 2024. Mr Tucker resigned as a Trustee on 29 May 2025, on which date Mr Valero also took over from Mr Bosch as chairman. Otherwise, the Trustees during the year ended 30th September 2024 were those listed on page 1 and remained unchanged at the date the accounts were signed.

Netherhall Educational Association is a company limited by guarantee (No. 793583), its governing document being the Memorandum and Articles of Association last amended on 16th March 2008. It is a registered charity in England & Wales (No. 236586) and in Scotland (No. SC039209). The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

The Trustees form the Council of NEA, which has power to appoint new Trustees who serve until such time as they resign or are required to withdraw as stipulated by the Council. New Trustees are recruited from among NEA's volunteers and supporters, with a view to achieving a balance of skills and talents. They are provided with Charity Commission guidance on the roles and responsibilities of charity trustees, and they also receive informal training designed to supplement the knowledge and training they have already received from participation in the activities of NEA.

Objects and Activities

The objects of NEA are the advancement of education and learning and the training of character in accordance with Christian principles and ideals.

To achieve this, NEA aims to provide all-round formation for people of all ages, especially the young, to help them develop their talents to the full and use them in the service of society.

This personal development is seen as a harmonious union of all the following components:

- *academic and professional development* which enables men and women to do their work well, and to be more aware that study and work are principal means both of personal growth and of serving others;
- *social development* which promotes understanding and empathy with others regardless of background, race or creed, and fosters friendships and co-operation across cultural divides;
- *character development* which is founded on human virtues such as sincerity, loyalty, self-discipline, service to others and a spirit of hard work, with a deep appreciation of personal freedom and the corresponding responsibility; and
- *spiritual development* which allows men and women to find God in their family and working lives and to practise Christian principles and ideals.

Activities and Public Benefit

To achieve the aims set out above, NEA

- owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars;
- supports a number of educational and social projects outside Great Britain whose aims are consonant with its own.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011 they have due regard to public benefit guidance published by the Charity Commission. They confirm that the all-round formation imparted in and from the centres of NEA is for the benefit of the public in general.

All the activities – including those of religious formation, which are entrusted to Opus Dei, a personal prelature of the Catholic Church – are open to all who wish to participate, regardless of race, creed, or social background.

Outreach in the form of the promotion of formational activities outside NEA's centres means that participation is available to many more people than those who live in the residential centres or attend the clubs regularly.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2024 (continued)

Strategic Report

Achievements and Performance

In order to assess how successful it has been each year in meeting its aims, NEA has established a number of measures for its rolling plan which is updated each year. Performance against the targets which were approved for 2023/24 is described under the four headings shown in the Review of Performance.

Plans for Future Periods

During the year 2023/24 NEA on the one hand continued to detail its plans for the development of halls of residence and residential conference centre; and on the other to identify sites for future centres in Glasgow and Birmingham. Future plans revolve around implementing the expansion of Wickenden Manor which will begin 2026, confirmation of planning consent for Grandpont House during 2025, and developing an architectural project for the Netherhall House site. In 2024 and 2025, properties in Glasgow and Birmingham respectively were purchased and activities begun ahead of future refurbishment works.

The Trustees view the long-term sustainability of the charity as demonstrated after the years of the pandemic. NEA continues to enjoy a wide base of supporters who work voluntarily in the delivery of its charitable objectives as well as advising and supporting the Trustees in governance and management. The Trustees greatly appreciate the help of generous individuals – often of modest circumstances – that have enabled the charity to go forward.

Review of Performance

The Activities of the Centres

Target: in each centre a programme of activities for the benefit of the charity's beneficiaries.

NEA achieved this target through:

residential activity centres: the halls of residence, Netherhall House and Orme Court in London and Grandpont House in Oxford, provided full residential accommodation as well as programmes of lectures and seminars to supplement the formal academic studies for residents and others;

residential and non-residential programmes: courses aimed at character and spiritual development of men and women of all ages were organised at Crosmore and Orme Court in London, and at Wickenden Manor in Sussex;

clubs and study centres: Dunreath in Glasgow and Kelston in London provided academic and recreational activities for youngsters of school age, including summer social projects aimed at assisting the disadvantaged. The activities which formerly were carried out from NEA's now-closed centre, Westpark, are now carried out from Elmore, the centre at 8 Orme Court;

The programme of events and activities in furtherance of NEA's aims is described and illustrated in greater detail through publications and web sites (links are provided from www.nea.netherhall.org.uk).

Target: each centre to work within its headline (break-even) budget carrying out prudent measures for the upkeep of the fabric and equipment.

during 2023/24 the Trustees worked with the management committee of each centre on producing budgets and cash-flow forecasts which reflected the current reality of income, expenditure, and charitable support available to enable the delivery of the centre's charitable activities. The budget included routine maintenance work, with advice where necessary from suitable professionals.

Support for International Projects

Target: obtain funding to provide support for selected projects consonant with NEA's objectives.

During 2023/24, NEA received donations for International Projects, including associated *Gift Aid*, of £7,055. From funds collected NEA's Trustees made an award £5,510 to the Pontifical University of the Holy Cross in Rome after the established checks had been carried out to ensure that the recipient was a *bona-fide* not-for-profit body with aims consonant with those of NEA.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2024 (continued))

Financial Review

Financing

Target: raising of donations that will enable the repayment of the loans by which NEA has financed the acquisition of its premises and major refurbishments.

During the year donations from supporters of £1,746,010 compared to £1,074,685 the previous year. Through the local management committees, the Trustees are reviewing the balance between regular and one-off donations with a view to ensuring a year-on-year increase in the former. They are aware that there is a wide base of supporters who contribute to the funds of NEA as well as working voluntarily in the delivery of charitable objectives. They expect the charity will be able to go forward with their generous help.

Target: the administration of other income streams which enable capital repayments to be made.

Income from Charitable Activities and Investments amounted to £1,772,007 in 2023/24 compared to £1,578,947 the previous year. Taking into account operational expenditure and investment revaluations, NEA was able to add £837,712 to its reserves compared with £99,854 the previous year. The Trustees welcome this.

The administrative costs of running the charity continue to be very low, due to our broad base of skilled volunteers who carry out much of the work for each of the centres and for the running of the charity as a whole: Note 6 to the Accounts reflects the fact that only one of the nine centres has paid administrative staff, and the head office functions with only two paid employees.

Development of existing and new centres

Target: the development of existing and new centres with funding arranged and repayment plans in place.

The preliminary professional works for the implementation of the expansion of Wickenden Manor continued alongside refined planning for the operation of the conference centre. Works are planned to begin in April 2026. NEA continued to work towards the confirmation of planning consent for Grandpont House, and the development of the architectural project for the Netherhall House site. Both are expected in 2025. With the assistance of local supporters and appropriate professionals, NEA identified sites for future centres in Glasgow and Birmingham. During 2024 (Glasgow) and 2025 (Birmingham), properties in those cities were purchased and activities begun ahead of planned refurbishment works.

Risk Management

The Trustees are aware that NEA's activities depend for their continuance on voluntary income from regular and one-off donations. By the nature of NEA and its work, these donations proceed in the main from long-term supporters committed to on-going help for the activities carried out from the centres which they are funding. The Trustees make extensive efforts, personally and through others, to maintain a continual relationship with these supporters and to increase their number.

The Trustees have furthermore undertaken an assessment of the risks, both operational and financial, to which NEA is exposed. They believe they have procedures in place to manage and reduce risks:

- to human life and welfare, by the adoption of health & safety policies and training;
- to young or vulnerable people, by having in place suitable policies and procedures;
- to incoming resources from non-charitable rental income, by suitable insurance;
- to operational and investment tangible assets, by appropriate maintenance and insurance; and
- to charity resources, by appropriate control procedures.

The Trustees believe they are thereby addressing the main risks to the continuance of NEA and its activities and taking measures consistent with the nature of the Charity and its resources.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2024 (continued)

Review of Subsidiaries

Netherhall Residences plc and New Netherhall Residences plc – whose principal activity was the provision of the rented accommodation aspect of the hall of residence at Netherhall House – agreed to surrender their leases on parts of Netherhall House to the Charity with effect from 30 May 2022 and cease trading. The provision of accommodation would subsequently be carried out by the Charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the charity's investment in these subsidiaries is still reflected in the balance sheet of the Charity for 30 September 2024. These financial statements are therefore for the Charity alone.

Netherhall International College's intended principal activity is the provision of short courses in English during summer vacations at Netherhall House. The Company was dormant in 2023/24.

Investment Policy

During 2011/12, NEA was gifted UK and overseas equities with a market value at the time of acceptance of £71,348. At that time the Trustees decided to retain these holdings in the expectation of annual income and capital growth. They review this decision regularly.

In 2001 and 2003, NEA purchased 3 and 2 Orme Court, London W2 with the intention of transferring ownership of these properties at a future date to Dawcliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. At 1st October 2023 NEA's books still showed the loan of £5,099,874 from the other charity used to purchase the properties. The transfer of this programme-related investment to the other charity was completed during 2022/23 for nil consideration and writing back the loan. The bank loan has been repaid using income from renting the properties. This is detailed in Note 10b.

NEA also holds as investments buildings which it has acquired on sites adjacent to its operational properties. The rental income from these properties have helped service the mortgage or other loans with which the properties were purchased. In the longer term these properties may become premises from which NEA will carry out its charitable activities.

Reserves Policy

Total reserves at 30th September 2024 amounted to £30,510,756 (2023 £29,673,044) of which £45,027 (2023 £44,933) were restricted. The Trustees have designated £570,249 (2023 £564,603) for three named memorial funds generally in support of students, and £23,133,018 (2023 £23,089,361) representing the net book value of NEA's operational and investment properties less associated outstanding borrowings. Therefore, NEA's free unrestricted funds stood at £6,762,462 (2023 £5,974,147). This represents just over two years' annual expenditure and will be reduced to pay for future capital development. NEA's longer-term policy is to work towards a situation where year-on-year surpluses can be added to the free reserves to support both NEA's on-going operations and its commitments in respect of its fixed assets. This policy will be reviewed annually.

As explained in Note 2 to the Financial Statements the Trustees take the view that the NEA is a going concern. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity and therefore continues to adopt the going concern basis in preparing its financial statements.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2024 (continued)

Statement on Fundraising

NEA obtains its voluntary income predominantly from its supporters and those who participate in its activities. It does not make appeals to the general public. The Trustees are satisfied that they comply as applicable with the requirements of The Charities (Protection and Social Investment) Act 2016. In this context there are no participators, vulnerable persons are protected, and no complaints have been received.

Statement of Trustees' Responsibilities

Auditors

UHY Ross Brooke have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed auditors for the ensuing year.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Netherhall Educational Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: **10.6.25**

By Order of the Council

X Bosch

X Bosch
Director

Independent Auditor's Report to the Members and Trustees of Netherhall Educational Association

Opinion

We have audited the financial statements of Netherhall Educational Association (the 'charitable company') for the year ended 30 September 2024 which comprise of the Statement of Financial Activities, the charitable company Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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) and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 statement or our knowledge obtained in the course of 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the charitable company this included compliance with Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The risks were discussed with the audit team, and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management and officers of the charitable company and a review of legal fees in the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

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 and its trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

C Webster

Caroline Webster FCA (Senior Statutory Auditor)

For and on behalf of
UHY Ross Brooke
Chartered Accountants
Statutory Auditors

Suite I,
Abingdon Business Park,
Abingdon,
OX14 1SY
12/6/25

Netherhall Educational Association - Year to 30th September 2024
Statement of Financial Activities including Income and Expenditure Account

	Note	Unrestricted Funds 2024 £	Designated Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME						
Charitable activities	3	836,685	-	-	836,685	901,686
Donations and legacies	3	1,746,010	-	-	1,746,010	1,074,685
Investment income						
Investment properties		921,543	-	-	921,543	677,261
Interest and dividends		8,039	5,646	94	13,779	
Other income		52,091	-	-	52,091	91,775
Gain form transfer of 2 and 3 Orme Court	10b	-	-	-	-	50,290
Gain on liquidation of two subsidiaries	10d	-	-	-	-	20,713
Total Income		<u>3,564,368</u>	<u>5,646</u>	<u>94</u>	<u>3,570,108</u>	<u>2,816,410</u>
EXPENDITURE						
Raising funds	4	(93,581)	-	-	(93,581)	(159,902)
Charitable activities						
Residential activity centres	4	(1,348,467)	-	-	(1,348,467)	(1,602,699)
Residential and non-residential programmes	4	(318,174)	-	-	(318,174)	(374,152)
Clubs and study centres	4	(1,040,819)	-	-	(1,040,819)	(783,510)
Grants	4/18	(8,700)	-	-	(8,700)	(5,510)
Total Expenditure		<u>(2,809,741)</u>	<u>-</u>	<u>-</u>	<u>(2,809,741)</u>	<u>(2,925,773)</u>
Unrealised gains/(losses)						
Investment properties.	10	70,378	-	-	70,378	150,000
Listed investments	10	4,016	-	-	4,016	13,656
Exchange differences		2,951	-	-	2,951	45,561
Net Income/ (Expenditure)	8	831,972	5,646	94	837,712	99,854
Transfers between Funds	18	(43,657)	43,657	-	-	-
Net Movements in funds						
Balance Brought Forward		5,974,147	23,653,964	44,933	29,673,044	29,573,190
Total Funds	19/20	<u>6,762,462</u>	<u>23,703,267</u>	<u>45,027</u>	<u>30,510,756</u>	<u>29,673,044</u>

Netherhall Educational Association - Year to 30th September 2024
Balance Sheet at 30th September 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed Assets					
Tangible assets	9		21,144,183		20,040,446
Investments	10a		12,599,341		12,524,946
			33,743,524		32,565,392
Current Assets					
Debtors and Prepayments	11	399,780		78,956	
Cash at bank and in hand	12	708,204		978,774	
		1,107,984		1,057,730	
Creditors: Amounts falling due within one year					
	13	(2,016,383)		(2,150,929)	
Net Current Liabilities					
			(908,399)		(1,093,199)
Total Assets less Current Liabilities					
			32,835,125		31,472,193
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		(2,324,369)		(1,799,149)
			30,510,756		29,673,044
Funds					
	19/20				
Unrestricted:					
General fund			6,762,462		5,974,147
Designated:					
Jeremy White Memorial Fellowship Fund		549,639		544,197	
Michael Richards Memorial Fund		10,510		10,406	
Richard Stork Memorial Fund		10,100		10,000	
Properties Reserve		23,133,018		23,089,361	
			23,703,267		23,653,964
Restricted:					
Jeremy White Memorial Bursary Fund		9,450		9,356	
International Projects		35,577		35,577	
			45,027		44,933
			30,510,756		29,673,044

The notes on pages 13 onwards form part of these financial statements.

Approved and authorised by the Council on 4 June 2025

X Bosch Director **X Bosch**

Company Number 793583

Netherhall Educational Association - Year to 30th September 2024
Cash Flow Statement

	Notes	2024 £	2024 £	2023 £	2023 £
Net Cash Inflow from Operating Activities	22		1,568,650		569,782
Returns on Investments and Servicing of Finance					
Bank interest paid		(115,276)		(154,918)	
Interest received		<u>13,779</u>			
Net Cash Outflow from Returns on Investments and Servicing of Finance			(101,497)		(154,918)
Taxation			-		-
Capital Expenditure and Financial Investment					
Payments to acquire tangible fixed assets		<u>(1,452,134)</u>		<u>(236,030)</u>	
Net Cash Inflow (Outflow) from Capital Expenditure and Financial Investment			<u>(1,452,134)</u>		<u>(236,030)</u>
Net Cash Inflow (Outflow) before Financing			15,019		178,834
Financing					
New long-term loans		-		-	
Repayment of long-term loans		<u>(285,589)</u>		<u>(268,695)</u>	
			(285,589)		(268,695)
Increase/(Decrease) in Cash			<u><u>(270,570)</u></u>		<u><u>(89,861)</u></u>
 Reconciliation of Net Cash Flow to Movement in Net Debt					
			2024		2023
			£		£
Increase/(decrease) in cash			(270,570)		(89,861)
Write down of long-term loans			-		5,099,874
Repayment of long-term loans			<u>285,589</u>		<u>268,695</u>
Movement in Net Debt in the Year			15,019		5,278,708
Net debt at 1st October (Note 22)			<u>(2,462,616)</u>		<u>(7,741,324)</u>
Net Debt at 30th September (Note 22)			<u><u>(2,447,597)</u></u>		<u><u>(2,462,616)</u></u>

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements

Note 1

Objects and Organisation of the Association

The Association is a registered charity for the advancement of education within the Christian ideal, incorporated under the Companies Act 2006, limited by guarantee and having no share capital. (As from 15th October 1980, the word 'Limited' is omitted by licence of the Secretary of State for Trade.) It is organised as follows:

- ownership of various properties, the financing of the related mortgages, fund-raising activities, and general administration are the responsibility of the Association;
- the properties are run as independent centres and their operation is the responsibility of the various local management committees; they are run according to the principles of the Association, and to achieve its objects.

Note 2 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of NEA to continue as a going concern for at least another 12 months from the date of approval of the financial statements. In particular, they have considered NEA's forecasts and projections and have taken account of pressures on income and cost-of-living concerns. The Trustees take the view that, with suitable cash-flow management, these do not threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity, a number of whom have made interest-free loans. The Trustees are aware over the years NEA's net current liabilities have been negative. This results from those loans from supporters being payable on demand. Having reviewed forecasts, cashflows and budgets for at least 12 months from the date of signing these accounts to determine the going concern status, the Trustees conclude that there is a reasonable expectation that NEA has adequate resources to continue in operational existence for the foreseeable future. NEA therefore continues to adopt the going concern basis in preparing its financial statements.

Notes on Accounts of Subsidiary Companies

As noted in the section on Subsidiary Companies in the Trustees' Report, NEA's two plc subsidiaries ceased to trade in 2021/2022 and are in liquidation. NEA's other subsidiary company is dormant. Thus, as in 2022/2023, these accounts are those of Netherhall Educational Association alone, and comparative figures given relate merely to this Company.

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Accounting Policies (continued)

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund.

Depreciation of Fixed Assets

Freehold land is not depreciated. The Trustees have used the transitional arrangements of FRS102 with regards to revalued assets to be carried at deemed cost. The cost or valuation of other tangible fixed assets is depreciated by annual instalments over their expected useful lives as follows:

Long leasehold buildings	50 years
Freehold buildings	50 – 200 years
Furniture and fittings	10 years
Motor vehicles	4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable.

The capitalisation threshold is set at £2,500.

Financial Instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments (and has no instruments required to be accounted for under Section 12 “Other Financial Instruments”). Financial instruments are recognised in the charity’s balance sheet when the charity becomes party to the contractual obligations of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right of set off and an intention to settle the net amount. With the exceptions of prepayment, deferred income and balances due to/from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Other financial instrument assets include investments which are measured at fair value, with movements in unrealised gains as disclosed in note 10.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Programme related investments – properties

Properties which are used to help fulfil the charity's objectives are initially recognised at cost and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

Investments

Some of the group's properties are held for long-term investment. The costs of investment properties include, where

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Accounting Policies (continued)

appropriate, interest on capital employed, capitalised during their development periods. Investment properties are accounted for in accordance with FRS 102, as follows:

- investment properties are revalued, and the aggregate surplus or deficit is transferred to the investment property revaluation reserve; where the total of the investment property revaluation reserve is insufficient to cover a deficit the excess is charged in the Statement of Financial Activities; and
- no depreciation is provided in respect of freehold investment properties.

The carrying values of investments in subsidiaries are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable.

Income

All income is included in the Statement of Financial Activities on a receivable basis. Where income is received in advance, it is carried forward as deferred income and is released in the period to which it relates.

Allocation of Costs

Charitable expenditure includes salary costs of staff employed at the centres, depreciation of fixed assets owned by NEA, interest paid on NEA's loans and other charitable expenditure.

Support costs include the salary costs of the finance staff, depreciation of computer and other equipment and other administration expenditure. They are re-allocated to the other activities in line with expenditure on those activities.

Governance costs comprise audit fees and other compliance costs.

Expenditure is charged on an accruals basis. Grants payable are included in the Statements of Financial Activities when approved and communicated to a third party to create a constructive obligation.

Foreign currencies transactions

Unsecured loans expressed in foreign currencies have been translated into sterling at the rates of exchange ruling at the year-end date. All exchange gains/losses have been reflected in the statement of financial activities.

Fund Accounting

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds that are set aside by the Trustees out of general funds for specific future purposes or objects.

Restricted funds are funds that can only be used for specific purposes within the objects of the charity. Restrictions arise when specified by the donor(s).

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Critical accounting estimates and judgements

In the application of NEA's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives. The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Provisions. The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

Note 3 Donations

Donations include £278,705 (2023 – £243,142) for donations received by the various centres. No legacies were received during the year (2023 – nil). NEA is able to recover tax on donations received under GiftAid.

Income from charitable activities relates to residential fees, charges for courses and activities, and subscriptions.

As a charity, the Association is not liable to taxation on its income provided this is fully applied to the furtherance of its objects.

Note 4 Analysis of Expenditure

2023/24		Generatin g funds	Residential activity centres	Residential & non- residential activities	Clubs & study centres	Support Costs	2024 Total
	Note	£	£	£	£	£	£
Staff costs	6a	-	378,699	94,015	305,293	153,027	931,034
Depreciation	9	-	142,067	29,223	177,107	-	348,397
Interest paid	5	-	-	-	109,190	6,086	115,276
Catering		-	182,635	45,779	84,560	-	312,974
Light & heat		-	208,290	44,559	37,825	-	290,674
Rent & rates		-	2,929	-	19,589	-	22,518
Maintenance		81,349	92,905	24,491	132,148	5,847	336,740
Replacements		-	15,720	2,786	18,315	-	36,821
Other costs		4,078	207,720	49,596	66,098	49,415	376,907
Audit		-	-	-	-	29,700	29,700
Support Costs allocated pro rata on other expenditures.		8,154	117,502	27,725	90,694	(244,075)	-
		<u>93,581</u>	<u>1,348,467</u>	<u>318,174</u>	<u>1,040,819</u>	-	<u>2,801,041</u>
Charitable Grants	18						8,700
Total 2024							<u>2,809,741</u>
2022/23		Generatin g funds	Residential activity centres	Residential & non- residential activities	Clubs & study centres	Support Costs	2023 Total
	Note	£	£	£	£	£	£
Staff costs	6a	-	472,669	113,686	195,436	127,301	909,092
Depreciation	9	-	154,665	29,097	175,973	-	359,735
Interest paid	5	4,570	27,808	-	97,754	24,786	154,918
Catering		-	192,447	42,229	65,669	-	300,345
Light & heat		4,492	197,404	22,775	49,830	-	274,501
Rent & rates		-	4,337	7,216	5,765	-	17,318
Maintenance		107,567	118,655	22,031	16,426	-	264,679
Replacements		-	12,767	4,602	8,826	-	26,195
Other costs		30,601	298,632	102,865	105,738	43,217	581,053
Audit		-	-	-	-	32,427	32,427
Support Costs allocated pro rata on other expenditures.		12,672	123,315	29,651	62,093	(227,731)	-
		<u>159,902</u>	<u>1,602,699</u>	<u>374,152</u>	<u>783,510</u>	-	<u>2,920,263</u>
Charitable Grants	18						5,510
Total 2023							<u>2,925,773</u>

Netherhall Educational Association - Year to 30th September 2024
Notes to the Financial Statements (continued)

Note 5 Mortgage and loan interest	2024	2023
	£	£
Interest on mortgages and bank loans	115,276	154,918

Note 6a Staff Costs	2024	2023
	£	£
Wages and salaries	860,849	845,473
Social security costs	56,300	50,326
Employer's pensions contribution	13,885	13,293
	931,034	909,092

The average weekly number of employees during the year was as follows:

	2024	2023
	Actuals	Actuals
Charitable work: activities and operational domestic/catering	9	10
	37	35
Management and administration	2	2
	48	47

No employee earned £60,000 per annum or more (2023 nil).

Note 6b Governance Structure and Key Management Personnel

The Association considers its key management personnel to be its Trustees. As set out in Note 7, their total employment benefits including employer pension contributions were £nil (2023: £nil). The Trustees delegate the day-to-day running of NEA to an Executive Committee of Trustees including the Chairman. They are in frequent contact and must refer major and strategic decisions to meetings of all the Trustees. For many years, there has been no chief executive; the two members of "headquarters" staff reporting to the Executive Committee. Each of the Association's centres has a Management Committee - formed of volunteers or employed staff as appropriate to the centre - with authority to run the activities in and from that centre in accordance with plans and budgets agreed with the Executive Committee.

Note 7 Emoluments of Trustees

No Trustee received any remuneration for his services during the year (2023 - nil). During the year 2023/24 NEA paid the travel costs of one Trustee amounting to £112 (2023 – one Trustee £757).

Note 8 Net income

Net income is shown after charging;

	2024	2023
	£	£
Depreciation	348,397	359,735
Auditor's remuneration - audit services	29,700	23,348
Loss/(Gain) on disposal of Tangible Fixed Assets	(2,445)	44,533
Loss/(Gain) on disposal of Programme Related Investments	-	(50,290)
Loss/(Gain) on Liquidation of Subsidiaries	-	(20,713)

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Note 9 Tangible Fixed Assets

	Land & Buildings £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost or valuation:				
At 1st October 2023	25,511,376	66,910	141,744	25,720,030
Additions during the year	1,447,955	-	4,179	1,452,134
Disposals	-	-	-	-
At 30th September 2024	<u>26,959,331</u>	<u>66,910</u>	<u>145,923</u>	<u>27,172,164</u>
Depreciation				
At 1st October 2023	5,494,260	66,910	118,414	5,679,584
Charge for the year	336,027	-	12,370	348,397
Depreciation on disposal	-	-	-	-
At 30th September 2024	<u>5,830,287</u>	<u>66,910</u>	<u>130,784</u>	<u>6,027,981</u>
Net Book Value				
At 30th September 2024	<u>21,129,044</u>	<u>-</u>	<u>15,139</u>	<u>21,144,183</u>
At 30th September 2023	<u>20,017,116</u>	<u>-</u>	<u>23,330</u>	<u>20,040,446</u>

The details of fixed assets are as follows - these revaluations have been taken as deemed costs following the transition to FRS102:

	2024 £	2023 £
<i>Land and buildings</i>		
At cost	26,778,238	25,330,283
Transfers to Programme Related Property Investments	(6,112,628)	(6,112,628)
At Trustees' valuation - 2018	667,562	667,562
At professional valuation - 1996	1,601,159	1,601,159
At professional valuation - 1993	4,025,000	4,025,000
	<u>26,959,331</u>	<u>25,511,376</u>

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Included in land and buildings is an amount of £2,069,644 (2023 – £665,937) in respect of modification and refurbishment projects in progress, which is not depreciated. Subject to planning permissions these projects should be completed within five years.

A number of charges are in existence over the individual properties held by the organisation, as described in Note 15.

The net book value of land and buildings comprises:

	2024	2023
	£	£
Freehold	20,549,868	19,418,634
Long leasehold	579,176	598,482
	21,129,044	20,017,116

Note 10a Fixed Asset Investments

At 30th September, fixed asset investments comprised the following:

	2024	2023
	£	£
Investment Properties (Note 10c)	5,349,000	5,278,622
Listed investments at market value	83,339	79,322
Investments in subsidiary undertakings	7,167,002	7,167,002
	12,599,341	12,524,946

Note 10b Programme Related Property Investments

	2024	2023
	£	£
Brought forward	-	5,049,584
Disposals	-	(5,049,584)
Carried forward	-	-

The 2023 disposal refers to 3 and 2 Orme Court, London W2 which were transferred to another charity.

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Note 10c Investment Properties

	2024	2023
	£	£
Brought forward	5,278,622	5,128,622
Trustees' Revaluation	70,378	150,000
Disposals	-	-
Carried forward	5,349,000	5,278,622

Note 10d Investment in Subsidiary Companies

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

	Holding	Proportion of Voting Rights and Shared Held	Nature of Business
<i>Subsidiary undertakings</i>			
Netherhall Residences plc	Ordinary shares	100%	In Liquidation
New Netherhall Residences plc	Ordinary shares	100%	In Liquidation
Netherhall International College Limited	Ordinary shares	100%	Education

Since their incorporation Netherhall Residences plc and New Netherhall Residences plc had had leases on parts of Netherhall House and rented rooms to student residents. On 30 May 2022 they decided to surrender the leases to the Charity and cease to trade from that date, the provision of accommodation subsequently being carried out by the Charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the Charity's investment in these subsidiaries is still reflected in the balance sheets for 30 September 2023. A surplus of £20,713 arising from this transaction has been taken to Statement of Financial Activities for 2022/23.

The intended business of Netherhall International College Limited is English language courses. The Company is dormant.

All of the subsidiaries are incorporated in England and registered in England and Wales.

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Note 11 Debtors and Prepayments

	2024	2023
	£	£
Recoverable from HMRC	192,918	67,872
Other debtors	206,680	11,084
Prepayments	182	-
	399,780	78,956

Note 12 Cash at bank and in hand

	2024	2023
	£	£
Restricted	45,027	44,933
Unrestricted	663,177	933,841
	708,204	978,774

Note 13 Creditors: Amounts falling due within one year

	2024	2023
	£	£
Secured mortgage loans (Note 15)	186,703	450,496
Other unsecured loans (Note 16)	644,729	1,191,745
Other taxes and social security	5,173	22,721
Other creditors	73,613	91,663
Accruals and deferred income	911,373	198,912
Amounts owed to subsidiaries	194,792	195,392
	2,016,383	2,150,929

Deferred Rental Income

	2024	2023
	£	£
Balance as at 1st October 2023	38,693	34,167
Released during the year	(38,693)	(34,167)
Deferred during the year	38,693	38,693
	38,693	38,693
Balance carried forward at 30th September 2024		

Netherhall Educational Association - Year to 30th September 2024
Notes to the Financial Statements (continued)

Note 14 Creditors: Amounts falling due after more than one year

	2024	2024	2023	2023
	£	£	£	£
Secured mortgage loans (see Note 15)				
- repayable after more than one year but within five years	859,807		592,908	
- repayable after more than five years	359,827		876,415	
		1,219,634		1,469,323
Unsecured loans (see Note 16)				
- repayable after more than one year but within five years	1,104,735		329,826	
- repayable after more than five years	-		-	
		1,104,735		329,826
		2,324,369		1,799,149

Note 15 Secured Loans

All secured loans are secured on the freehold property. Interest is payable at both fixed and variable rates which, as at 30th September 2024, ranged between 1.86% to 4.0% above bank base-rate.

Secured loans due after more than one year are repayable by instalments until they are fully paid off in 2042.

	2024	2023
	£	£
Amounts falling due:		
in one year or less on demand	186,703	450,496
in more than one year but not more than two years	199,165	151,707
in more than two years but not more than five years	660,642	441,201
in more than five years	359,827	876,415
Total Secured Loans	1,406,337	1,919,819
Less: included in creditors – amounts falling due within one year (Note 13)	186,703	(450,496)
	1,219,634	1,469,323

Note 16 Unsecured Loans

	2024	2023
	£	£
Amounts falling due:		
in one year or less, or on demand	644,729	1,191,745
after one year but within five years	1,104,735	329,826
Total Unsecured Loans	1,749,464	1,521,571
Less: included in creditors – amounts falling due within one year (Note 13)	(644,729)	(1,191,745)
	1,104,735	329,826

Note 17 Taxation

As a charity NEA is exempt from both income and corporation tax as set out in Section 505 of the Income and Corporation Taxes Act 1988.

Netherhall Educational Association - Year to 30th September 2024
Notes to the Financial Statements (continued)

Note 18 Analysis of Designated and Restricted Resources

2023/2024	Opening Balance 1st Oct 23 £	Donation incl. GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 24 £
<u>Designated Funds</u>						
Memorial Funds						
Jeremy White Fellowship	544,197	-	5,442	-	-	549,639
Michael Richards	10,406	-	104	-	-	10,510
Richard Stork	10,000	-	100	-	-	10,100
Fixed Assets	25,269,068	-	-	-	1,156,344	26,425,412
less debt associated with assets	(2,179,707)	-	-	-	(1,112,687)	(3,292,394)
TOTAL DESIGNATED	23,653,964	-	5,646	-	43,657	23,703,267

<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	9,356	-	94	-	-	9,450
International Projects Saxum Project, Jerusalem	35,577	-	-	-	-	35,577
TOTAL RESTRICTED	44,933	-	94	-	-	45,027

2022/2023	Opening Balance 1st Oct 22 £	Donation incl. GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 23 £
<u>Designated Funds</u>						
Memorial Funds						
Jeremy White Fellowship	538,809	-	5,388	-	-	544,197
Michael Richards	10,303	-	103	-	-	10,406
Richard Stork	-	10,000	-	-	-	10,000
Fixed Assets	37,395,865	-	-	-	(12,126,797)	25,269,068
less debt associated with assets	(8,254,020)	-	-	-	6,074,313	(2,179,707)
TOTAL DESIGNATED	29,690,957	10,000	5,491	-	(6,052,484)	23,653,964

<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	9,263	-	93	-	-	9,356
International Projects Fundación Cardenas Rosales Pontifical University of the Holy Cross, Italy	42,475	-	-	-	(42,475)	-
	-	6,875	-	(5,510)	(1,365)	-
Saxum Project, Jerusalem	35,397	180	-	-	-	35,577
TOTAL RESTRICTED	87,135	7,055	93	(5,510)	(43,840)	44,933

Netherhall Educational Association - Year to 30th September 2024
Notes to the Financial Statements (continued)

Note 19 Movement on Reserves

2023/2024	At 1st October 2023	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Exchange differences	Transfers in Year	At 30th September 2024
	£	£	£	£	£	£	£
Unrestricted:							
General	5,974,147	3,564,368	(2,809,741)	74,394	2,951	(43,657)	6,762,462
Designated	23,653,964	5,646	-	-	-	43,657	23,703,267
Restricted:	44,933	94	-	-	-	-	45,027
	<u>29,673,044</u>	<u>3,570,108</u>	<u>(2,809,741)</u>	<u>74,394</u>	<u>2,951</u>	<u>-</u>	<u>30,510,756</u>

2022/2023	At 1st October 2022	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Exchange differences	Transfers in Year	At 30th September 2023
	£	£	£	£	£	£	£
Unrestricted:							
General	(204,902)	2,793,771	(2,920,263)	150,000	59,217	6,096,324	5,974,147
Designated	29,690,957	15,491	-	-	-	(6,052,484)	23,653,964
Restricted:	87,135	7,148	(5,510)	-	-	(43,840)	44,933
	<u>29,573,190</u>	<u>2,816,410</u>	<u>(2,925,773)</u>	<u>150,000</u>	<u>59,217</u>	<u>-</u>	<u>29,673,044</u>

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Note 20 Analysis of Assets between Funds

as at 30th September 2024

	Creditors:				Total
	Fixed Assets	Current Assets	Amounts falling due within 1 year	Amounts falling due after 1 year	
	£	£	£	£	
Unrestricted:					
General	7,318,112	1,062,957	(1,048,358)	(570,249)	6,762,462
Designated (see Note 18)	26,425,412	-	(968,025)	(1,754,120)	23,703,267
Restricted:	-	45,027	-	-	45,027
	33,743,524	1,107,984	(2,016,383)	(2,324,369)	30,510,756

as at 30th September 2023

	Creditors:				Total
	Fixed Assets	Current Assets	Amounts falling due within 1 year	Amounts falling due after 1 year	
	£	£	£	£	
Unrestricted:					
General	7,296,324	448,194	(1,770,371)	-	5,974,147
Designated (see Note 18)	25,269,068	564,603	(380,558)	(1,799,149)	23,653,964
Restricted:	-	44,933	-	-	44,933
	32,565,392	1,057,730	(2,150,929)	(1,799,149)	29,673,044

Note 21 Related Party Transactions

Mr X Bosch is a trustee of the Opus Dei Charitable Trust which paid £31,000 (2023 - £5,000) to NEA towards the expenses of running 4-6 Orme Court. Mr Bosch and Mr J Valero are trustees of the Greygarth Association which at 30th September 2024 had made an unsecured loan of £43,133 (2023 - £69,133) with NEA.

Mr Bosch, Dr Curtis, Dr Hegarty, and Mr Valero are members of the resident management teams of some of the centres of NEA. They are required to live in, and receive free accommodation at, the centre whose activities they help organise. This is on the same basis as other non-trustee members of those management teams.

Netherhall Educational Association - Year to 30th September 2024

Notes to the Financial Statements (continued)

Note 22 Notes to the Statement of Cash Flows

(a) Reconciliation of net income for the year to net cash inflow from operating activities.

	2024	2023
	£	£
Net income for the year	837,712	99,854
Interest receivable	(13,779)	
Interest payable	115,276	154,918
Unrealised gain/(loss) on investments	(4,017)	(13,656)
Depreciation	348,397	359,735
Revaluation of investments	(70,378)	(150,000)
Loss on disposal of fixed assets	-	3,972
Decrease/(increase) in debtors and prepayments	(320,824)	(13,483)
Disposal of programme related assets	-	(50,290)
(Decrease)/increase in creditors and accruals	676,263	199,445
Liquidation of subsidiaries	-	(20,713)
Net cash inflow from operating activities	1,568,650	569,782

(b) Analysis of changes in net debt.

	At 1st October 2023	Cash Flow	At 30th September 2024
	£	£	£
Cash at bank and in hand	978,774	(270,570)	708,204
	978,774	(270,570)	708,204
Debt due within one year	(1,642,241)	810,809	(831,432)
Debt due after one year	(1,799,149)	(525,220)	(2,324,369)
Net debt	(2,462,616)	15,019	(2,447,597)

Note 23 Operating lease commitments

At the reporting end date NEA had contracted - with minimum lease payments as shown, with the following:

	2024	2023
	£	£
<u>Cognita Limited for Southbank School at 16 Netherhall Gardens, London NW3</u>		
Within one year	320,000	320,000
Between two and five years	1,280,000	1,280,000
In over 5 years	293,333	613,333
Total	1,893,333	2,213,333

Note 24 Post Balance Sheet events.

During 2023/24, NEA entered into an agreement to sell the property at 1 Leopold Road, London W5 in which it operated its former centre, Westpark; completion on the sale took place in December 2024. In March 2025 NEA purchased a property in Birmingham for use as a centre for activities. NEA has also transferred the property at 1 Orme Court to another charity, after which it made a £2m fixed-term investment.

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales - Charity number 236586

Accounts

NETHERHALL EDUCATIONAL ASSOCIATION

(Limited by Guarantee)

Company No. 793583

**Registered as a charity in England and Wales (No. 236586)
and in Scotland (No. SC039209)**

TRUSTEES' REPORT

AND

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 2023

Netherhall Educational Association
(Limited by Guarantee)
Company Information

Trustees

X. Bosch, BA, FCA (chairman)
A.J. Curtis, MA, PhD
A.J. Hegarty, MA, DPhil
E.A.V Thompson
A. Tucker
J. Valero, MSc, DIC
H.B.Trust, MA
R Rosales, PhD

Secretary

J.P. Covenden, BA, LL.B

Auditors

UHY Ross Brooke
Suite I Windrush Court,
Abingdon Business Park,
Abingdon
OX14 1SY

Bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EZ

Solicitors

McCarthy Denning
70 Mark Ln
London EC3R 7NQ

Registered Office

18a Netherhall Gardens
London
NW3 5TH

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2023

The Trustees, who are the company directors of Netherhall Educational Association (NEA), submit their Annual Report together with the Accounts and Auditors' report for the year ended 30th September 2023. The Trustees during the year ended 30th September 2023 were those listed on page 1. Dr Raul Rosales and Mr Howard Trust were appointed as Trustees on 25 October 2023 and 25 January 2024 and their appointments were approved by the board on 12 June 2024; apart from that the Trustees remained unchanged at the date the accounts were signed.

Netherhall Educational Association is a company limited by guarantee (No. 793583), its governing document being the Memorandum and Articles of Association last amended on 16th March 2008. It is a registered charity in England & Wales (No. 236586) and in Scotland (No. SC039209). The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

The Trustees form the Council of NEA, which has power to appoint new Trustees who serve until such time as they resign or are required to withdraw as stipulated by the Council. New Trustees are recruited from among NEA's volunteers and supporters, with a view to achieving a balance of skills and talents. They are provided with Charity Commission guidance on the roles and responsibilities of charity trustees, and they also receive informal training designed to supplement the knowledge and training they have already received from participation in the activities of NEA.

Objects and Activities

The objects of NEA are the advancement of education and learning and the training of character in accordance with Christian principles and ideals.

To achieve this, NEA aims to provide all-round formation for people of all ages, especially the young, to help them develop their talents to the full and use them in the service of society.

This personal development is seen as a harmonious union of all the following components:

- *academic and professional development* which enables men and women to do their work well, and to be more aware that study and work are principal means both of personal growth and of serving others;
- *social development* which promotes understanding and empathy with others regardless of background, race or creed, and fosters friendships and co-operation across cultural divides;
- *character development* which is founded on human virtues such as sincerity, loyalty, self-discipline, service to others and a spirit of hard work, with a deep appreciation of personal freedom and the corresponding responsibility; and
- *spiritual development* which allows men and women to find God in their family and working lives and to practise Christian principles and ideals.

Activities and Public Benefit

To achieve the aims set out above, NEA

- owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars;
- supports a number of educational and social projects outside Great Britain whose aims are consonant with its own.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011 they have due regard to public benefit guidance published by the Charity Commission. They confirm that the all-round formation imparted in and from the centres of NEA is for the benefit of the public in general.

All the activities – including those of religious formation, which are entrusted to Opus Dei, a personal prelature of the Catholic Church – are open to all who wish to participate, regardless of race, creed, or social background.

Outreach in the form of the promotion of formational activities outside NEA's centres means that participation is available to many more people than those who live in the residential centres or attend the clubs regularly.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2023 (continued)

Strategic Report

Achievements and Performance

In order to assess how successful it has been each year in meeting its aims, NEA has established a number of measures for its rolling plan which is updated each year. Performance against the targets which were approved for 2022/23 is described under the four headings shown in the Review of Performance. Targets for 2023/24 are also in place, and performance against them will be reported on in the next Trustees' Report.

Plans for Future Periods

The year 2022/23 marked the return to normal, post-pandemic operations notably for NEA's halls of residence and residential conference centre. Future plans revolve around implementing the expansion of Wickenden Manor for which planning approval has been obtained, a planning submission for Grandpont House by Easter 2024 and developing an architectural project for Netherhall House and Lakefield Hospitality College.

NEA continues to enjoy a wide base of supporters who work voluntarily in the delivery of its charitable objectives as well as advising and supporting the Trustees in governance and management. The Trustees greatly appreciate the help of generous individuals – often of modest circumstances – that have enabled the charity to go forward. NEA plans to consolidate its current centres and activities and look for new opportunities in future years.

Review of Performance

The Activities of the Centres

Target: in each centre a programme of activities for the benefit of the charity's beneficiaries.

NEA achieved this target through:

residential activity centres: the halls of residence, Netherhall House and Orme Court in London and Grandpont House in Oxford, provided full residential accommodation as well as programmes of lectures and seminars to supplement the formal academic studies for residents and others; Lakefield Training Centre continued to provide residential vocational training and work experience for trainees within the hospitality industry;

residential and non-residential programmes: courses aimed at character and spiritual development of men and women of all ages were organised at Crosmore and Orme Court in London, and at Wickenden Manor in Sussex;

clubs and study centres: Dunreath in Glasgow and Kelston in London provided academic and recreational activities for youngsters of school age, including summer social projects aimed at assisting the disadvantaged. The activities which formerly were carried out from NEA's now-closed centre, Westpark, are now carried out from Elmore, the centre at 8 Orme Court;

The programme of events and activities in furtherance of NEA's aims is described and illustrated in greater detail through publications and web sites (links are provided from www.nea.netherhall.org.uk).

Target: each centre to work within its headline (break-even) budget carrying out prudent measures for the upkeep of the fabric and equipment.

during 2022/23 the Trustees worked with the management committee of each centre on producing budgets and cash-flow forecasts which reflected the post-pandemic reality of income, expenditure, and charitable support available to enable the delivery of the centre's charitable activities. The budget included routine maintenance work, with advice where necessary from suitable professionals.

Support for International Projects

Target: obtain funding to provide support for selected projects consonant with NEA's objectives.

During 2022/23, NEA received donations for International Projects, including associated *Gift Aid*, of £7,055. From funds collected NEA's Trustees made an award £5,510 to the Pontifical University of the Holy Cross in Rome after the established checks had been carried out to ensure that the recipient was a *bona-fide* not-for-profit body with aims consonant with those of NEA.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2023 (continued)

Financial Review

Financing

Target: raising of donations that will enable the repayment of the loans by which NEA has financed the acquisition of its premises and major refurbishments.

During the year donations from supporters of £1,074,685 compared to £1,237,885 the previous year. Through the local management committees, the Trustees are reviewing the balance between regular and one-off donations with a view to ensuring a year-on-year increase in the former. They are aware that there is a wide base of supporters who contribute to the funds of NEA as well as working voluntarily in the delivery of charitable objectives. They expect the charity will be able to go forward with their generous help.

Target: the administration of other income streams which enable capital repayments to be made.

Income from Charitable Activities was £677,261 in 2022/23 compared to £404,406 the previous year. A significant cause of this is the one-off effect of all the activities of Netherhall House now falling within the charity rather than partially in the two subsidiary companies now in liquidation. NEA has been able to add just under £100,000 to its reserves rather than reducing them by £600,000 the previous year. The Trustees welcome this and the charity will work to continue to do so in order to secure capital repayments.

The administrative costs of running the charity continue to be very low, due to our broad base of skilled volunteers who carry out much of the work for each of the centres and for the running of the charity as a whole: Note 6 to the Accounts reflects the fact that only one of the nine centres has paid administrative staff, and the head office functions with only two paid employees.

Development of existing and new centres

Target: the development of existing and new centres with funding arranged and repayment plans in place.

Preliminary professional works started for the implementation of the expansion of Wickenden Manor for which planning approval was granted in 2021/2022. The Trustees and professionals worked towards a planning submission for Grandpont House for Easter 2024. Consultants worked with the management committees of Netherhall House and Lakefield Hospitality College for a refurbishment of the 1960s premises.

Risk Management

The Trustees are aware that NEA's activities depend for their continuance on voluntary income from regular and one-off donations. By the nature of NEA and its work, these donations proceed in the main from long-term supporters committed to on-going help for the activities carried out from the centres which they are funding. The Trustees make extensive efforts, personally and through others, to maintain a continual relationship with these supporters and to increase their number.

The Trustees have furthermore undertaken an assessment of the risks, both operational and financial, to which NEA is exposed. They believe they have procedures in place to manage and reduce risks:

- to human life and welfare, by the adoption of health & safety policies and training;
- to young or vulnerable people, by having in place suitable policies and procedures;
- to incoming resources from non-charitable rental income, by suitable insurance;
- to operational and investment tangible assets, by appropriate maintenance and insurance; and
- to charity resources, by appropriate control procedures.

The Trustees believe they are thereby addressing the main risks to the continuance of NEA and its activities and taking measures consistent with the nature of the Charity and its resources. The trustees are increasingly aware of the importance of climate change on our operations and the impact the Charity can have on climate. They are devising a strategy to reduce the impact on climate of our operations and to assess the impact of climate change on our operations.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2023 (continued)

Review of Subsidiaries

As reported last year, Netherhall Residences plc and New Netherhall Residences plc – whose principal activity was the provision of the rented accommodation aspect of the hall of residence at Netherhall House – surrendered their leases on parts of Netherhall House to the charity on 30 May 2022. They ceased to trade from that date, the provision of accommodation subsequently being carried out by the charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the charity's investment in these subsidiaries is still reflected in the balance sheet of the Charity for 30 September 2023. These financial statements are therefore for the Charity alone.

Netherhall International College's principal activity is the provision of short courses in English during summer vacations at Netherhall House. The Company was dormant in 2022/23.

Investment Policy

During 2011/12, NEA was gifted UK and overseas equities with a market value at the time of acceptance of £71,348. At that time the Trustees decided to retain these holdings in the expectation of annual income and capital growth. They review this decision regularly.

In 2001 and 2003, NEA purchased 3 and 2 Orme Court, London W2 with the intention of transferring ownership of these properties at a future date to Dawliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. At 1st October 2022 NEA's books still showed the loan of £5,099,874 from the other charity used to purchase the properties. The transfer of this programme-related investment to the other charity was completed during 2022/23 for nil consideration and writing back the loan. The bank loan has been repaid using income from renting the properties. This is detailed in Note 10b.

NEA also holds as investments buildings which it has acquired on sites adjacent to its operational properties. The rental income from these properties have helped service the mortgage or other loans with which the properties were purchased. In the longer term these properties may become premises from which NEA will carry out its charitable activities.

Reserves Policy

Total reserves at 30th September 2023 amounted to £29,673,044 (2022 £29,573,190) of which £44,933 (2022 £87,135) were restricted. The Trustees have designated £564,603 (2022 £549,112) for three named memorial funds generally in support of students, and £23,089,361 (2022 £29,141,845) representing the net book value of NEA's operational and investment properties less associated outstanding borrowings. Taking into account property transfers, at 30th September 2023, therefore, NEA's free unrestricted funds stood £5,974,147 (2022 negative £204,902). This represents just of two years' annual expenditure and will be reduced as partial funding for future capital development. NEA's longer-term policy is to work towards a situation where year-on-year surpluses can be added to the free reserves to support both NEA's on-going operations and its commitments in respect of its fixed assets. This policy will be reviewed annually.

As explained in Note 2 to the Financial Statements the Trustees take the view that the NEA is a going concern. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity and therefore continues to adopt the going concern basis in preparing its financial statements.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2023 (continued)

Statement on Fundraising

NEA obtains its voluntary income predominantly from its supporters and those who participate in its activities. It does not make appeals to the general public. The Trustees are satisfied that they comply as applicable with the requirements of The Charities (Protection and Social Investment) Act 2016. In this context there are no participators, vulnerable persons are protected, and no complaints have been received.

Statement of Trustees' Responsibilities

Auditors

UHY Ross Brooke have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 and the trustees have approved their appointment for another year.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Netherhall Educational Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: 20.6.24

By Order of the Council



Director

Independent Auditor's Report to the Members and Trustees of Netherhall Educational Association

Opinion

We have audited the financial statements of Netherhall Educational Association (the 'charitable company') for the year ended 30 September 2023 which comprise of the Statement of Financial Activities, the charitable company Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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) and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 statement or our knowledge obtained in the course of 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the charitable company this included compliance with Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The risks were discussed with the audit team, and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management and officers of the charitable company and a review of legal fees in the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

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 and its trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Caroline Webster FCA (Senior Statutory Auditor)

For and on behalf of
UHY Ross Brooke
Chartered Accountants
Statutory Auditors

Suite I,
Abingdon Business Park,
Abingdon,
OX14 1SY

21/06/24

Netherhall Educational Association - Year to 30th September 2023
Statement of Financial Activities including Income and Expenditure Account

	Note	Unrestricted Funds 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME						
Charitable activities	3	901,686			901,686	544,588
Donations and legacies						
Regular donations	3	1,057,630	10,000	7,055	1,074,685	1,237,885
One-off donations and bequests	3/18		-	-	-	
Investment income						
Investment properties		671,677	5,491	93	677,261	404,406
Interest and dividends						3,582
Other income		91,775	-	-	91,775	526,344
Gain on transfer of 2 and 3 Orme Court	10b	50,290	-	-	50,290	-
Gain on liquidation of two subsidiaries	10d	20,713	-	-	20,713	-
Total Income		2,793,771	15,491	7,148	2,816,410	2,716,805
EXPENDITURE						
Raising funds	4	(159,902)	-	-	(159,902)	(275,408)
Charitable activities						
Residential activity centres	4	(1,602,699)	-	-	(1,602,699)	(1,143,476)
Residential and non- residential programmes	4	(374,152)	-	-	(374,152)	(450,290)
Clubs and study centres	4	(783,510)	-	-	(783,510)	(598,265)
Grants	4/18	-	-	(5,510)	(5,510)	-
Total Expenditure		(2,920,263)	-	(5,510)	(2,925,773)	(2,467,439)
Unrealised and realised gains/(losses)						
Investment properties	10	150,000	-	-	150,000	(816,400)
Listed investments	10	13,656	-	-	13,656	(326)
Exchange differences		45,561	-	-	45,561	(23,570)
Net Income/(Expenditure)	8	82,725	15,491	1,638	99,854	(590,930)
Transfers between Funds	18	6,096,324	(6,052,484)	(43,840)	-	-
Net Movements in funds		6,179,049	(6,036,993)	(42,202)	99,854	(590,930)
Balance Brought Forward		(204,902)	29,690,957	87,135	29,573,190	30,164,120
Total Funds	19/20	5,974,147	23,653,964	44,933	29,673,044	29,573,190

There were no recognised gains or losses other than those shown above.

All activities relate to continuing operations.

The notes on pages 13 onwards form part of these financial statements.

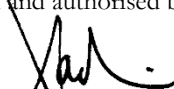
Netherhall Educational Association - Year to 30th September 2023
Balance Sheet at 30th September 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible assets	9		20,040,446		20,168,123
Programme related investments	10b		-		5,049,584
Investments	10a		<u>12,524,946</u>		<u>13,140,306</u>
			32,565,392		38,358,013
Current Assets					
Debtors and Prepayments	11	78,956		65,473	
Cash at bank and in hand	12	<u>978,774</u>		<u>1,068,635</u>	
		1,057,730		1,134,108	
Creditors: Amounts falling due within one year	13	<u>(2,150,929)</u>		<u>(2,671,706)</u>	
Net Current Liabilities			<u>(1,093,199)</u>		<u>(1,537,598)</u>
Total Assets less Current Liabilities			31,472,193		36,820,415
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		(1,799,149)		(7,247,225)
			<u>29,673,044</u>		<u>29,573,190</u>
Funds					
Unrestricted:	19/20				
General fund			5,974,147		(204,902)
Designated:					
Jeremy White Memorial Fellowship Fund		544,197		538,809	
Michael Richards Memorial Fund		10,406		10,303	
Richard Stork Memorial Fund		10,000		-	
Properties Reserve		<u>23,089,361</u>		<u>29,141,845</u>	
			23,653,964		29,690,957
Restricted:					
Jeremy White Memorial Bursary Fund		9,356		9,263	
International Projects		<u>35,577</u>		<u>77,872</u>	
			44,933		87,135
			<u>29,673,044</u>		<u>29,573,190</u>

The notes on pages 13 onwards form part of these financial statements.

Approved and authorised by the Council on 20.6.24

Trustee



Company Number 793583

Netherhall Educational Association - Year to 30th September 2023
Cash Flow Statement

	Notes	2023 £	2023 £	2022 £	2022 £
Net Cash Inflow from Operating Activities	22		569,782		4,694,499
Returns on Investments and Servicing of Finance					
Bank interest paid		(154,918)		(157,444)	
Interest received		-		3,582	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(154,918)		(153,862)
Taxation			-		-
Capital Expenditure and Financial Investment					
Payments to acquire tangible fixed assets		(236,030)		(278,090)	
Payments on (acquisition)/disposal of Programme Related investments		-		261,378	
Payments on (acquisition)/disposal of Investment properties		-		-	
Payments on (acquisition)/disposal of Subsidiaries		-		-	
Net Cash Inflow (Outflow) from Capital Expenditure and Financial Investment			(236,030)		(16,712)
Net Cash Inflow (Outflow) before Financing			178,834		4,523,925
Financing					
New long-term loans		-		-	
Repayment of long-term loans		(268,695)		(4,219,822)	
Increase/(Decrease) in Cash			(89,861)		304,103
Reconciliation of Net Cash Flow to Movement in Net Debt					
			2023 £		2022 £
Increase/(decrease) in cash			(89,861)		304,103
Write down of long-term loans			5,099,874		-
Repayment of long-term loans			268,695		4,219,822
Movement in Net Debt in the Year			5,278,708		4,523,925
Net debt at 1st October (Note 22)			(7,741,324)		(12,265,249)
Net Debt at 30th September (Note 22)			(2,462,616)		(7,741,324)

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements

Note 1

Objects and Organisation of the Association

The Association is a registered charity for the advancement of education within the Christian ideal, incorporated under the Companies Act 2006, limited by guarantee and having no share capital. (As from 15th October 1980, the word 'Limited' is omitted by licence of the Secretary of State for Trade.) It is organised as follows:

- ownership of various properties, the financing of the related mortgages, fund-raising activities, and general administration are the responsibility of the Association;
- the properties are run as independent centres and their operation is the responsibility of the various local management committees; they are run according to the principles of the Association, and to achieve its objects.

Note 2 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of NEA to continue as a going concern for at least another 12 months from the date of approval of the financial statements. They note that net current assets are negative which in other circumstances would be a cause for concern. This is an on-going issue and it is principally due to fact that there is just over £1m in personal loans in theory repayable on demand. In the opinion of the Trustees it is unlikely that such an immediate repayment may be requested, and if it were requested, there are resources (cash and near cash assets) to repay those loans. The Trustees have also considered NEA's forecasts and projections and have taken account of pressures on income and cost-of-living concerns. The Trustees take the view that, with suitable cash-flow management, these do not threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity, a number of whom have made interest-free loans. The Trustees are aware over the years NEA's net current liabilities have been negative. This results from those loans from supporters being payable on demand. Having reviewed forecasts, cashflows and budgets for at 12 months from the date of signing these accounts to determine the going concern status, the Trustees conclude that there is a reasonable expectation that NEA has adequate resources to continue in operational existence for the foreseeable future. NEA therefore continues to adopt the going concern basis in preparing its financial statements.

Notes on Accounts of Subsidiary Companies

As noted in the section on Subsidiary Companies in the Trustees' Report, NEA's two plc subsidiaries ceased to trade in 2021/2022 and are in liquidation. NEA's other subsidiary company is dormant. Thus, unlike previous years, these accounts are those of Netherhall Educational Association alone, and comparative figures given relate merely to this Company.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Accounting Policies (continued)

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund.

Depreciation of Fixed Assets

Freehold land is not depreciated. The Trustees have used the transitional arrangements of FRS102 with regards to revalued assets to be carried at deemed cost. The cost or valuation of other tangible fixed assets is depreciated by annual instalments over their expected useful lives as follows:

Long leasehold buildings	50 years
Freehold buildings	50 – 200 years
Furniture and fittings	10 years
Motor vehicles	4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable.

The capitalisation threshold is set at £2,500.

Financial Instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments (and has no instruments required to be accounted for under Section 12 “Other Financial Instruments”). Financial instruments are recognised in the charity’s balance sheet when the charity becomes party to the contractual obligations of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right of set off and an intention to settle the net amount. With the exceptions of prepayment, deferred income and balances due to/from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Other financial instrument assets include investments which are measured at fair value, with movements in unrealised gains as disclosed in note 10.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Programme related investments – properties

Properties which are used to help fulfil the charity's objectives are initially recognised at cost and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

Investments

Some of the group's properties are held for long-term investment. The costs of investment properties include, where

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Accounting Policies (continued)

appropriate, interest on capital employed, capitalised during their development periods. Investment properties are accounted for in accordance with FRS 102, as follows:

- investment properties are revalued, and the aggregate surplus or deficit is transferred to the investment property revaluation reserve; where the total of the investment property revaluation reserve is insufficient to cover a deficit the excess is charged in the Statement of Financial Activities; and
- no depreciation is provided in respect of freehold investment properties.

The carrying values of investments in subsidiaries are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable.

Income

All income is included in the Statement of Financial Activities on a receivable basis. Where income is received in advance, it is carried forward as deferred income and is released in the period to which it relates.

Allocation of Costs

Charitable expenditure includes salary costs of staff employed at the centres, depreciation of fixed assets owned by NEA, interest paid on NEA's loans and other charitable expenditure.

Support costs include the salary costs of the finance staff, depreciation of computer and other equipment and other administration expenditure. They are re-allocated to the other activities in line with expenditure on those activities.

Governance costs comprises audit fees and other compliance costs.

Expenditure is charged on an accruals basis. Grants payable are included in the Statements of Financial Activities when approved and communicated to a third party to create a constructive obligation.

Foreign currencies transactions

Unsecured loans expressed in foreign currencies have been translated into sterling at the rates of exchange ruling at the year-end date. All exchange gains/losses have been reflected in the statement of financial activities.

Fund Accounting

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds that are set aside by the Trustees out of general funds for specific future purposes or objects.

Restricted funds are funds that can only be used for specific purposes within the objects of the charity. Restrictions arise when specified by the donor(s).

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Critical accounting estimates and judgements

In the application of NEA's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives. The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Provisions. The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

Note 3 Donations and income from charitable activities

Donations include £267,745 (2022 – £250,639) for donations received by the various centres. No legacies were received during the year (2022 – nil). NEA is able to recover tax on donations received under GiftAid.

Income from charitable activities relates to residential fees, charges for courses and activities, and subscriptions.

As a charity, the Association is not liable to taxation on its income provided this is fully applied to the furtherance of its objects.

Note 4 Analysis of Expenditure

2022/23	Generating funds	Residential activity centres	Residential & non-residential activities	Clubs & study centres	Support Costs	2023 Total	
Note	£	£	£	£	£	£	
Staff costs	6a	-	472,669	113,686	195,436	127,301	909,092
Depreciation	9	-	154,665	29,097	175,973	-	359,735
Interest paid	5	4,570	27,808	-	97,754	24,786	154,918
Catering		-	192,447	42,229	65,669	-	300,345
Light & heat		4,492	197,404	22,775	49,830	-	274,501
Rent & rates		-	4,337	7,216	5,765	-	17,318
Maintenance		107,567	118,655	22,031	16,426	-	264,679
Replacements		-	12,767	4,602	8,826	-	26,195
Other costs		30,601	298,632	102,865	105,738	43,217	581,053
Audit		-	-	-	-	32,427	32,427
Support Costs allocated pro rata on other expenditures.		12,672	123,315	29,651	62,093	(227,731)	-
		<u>159,902</u>	<u>1,602,699</u>	<u>374,152</u>	<u>783,510</u>	-	<u>2,920,263</u>
Charitable Grants	18						5,510
Total 2023							<u>2,925,773</u>
2021/22	Generating funds	Residential activity centres	Residential & non-residential activities	Clubs & study centres	Support Costs	2022 Total	
Note	£	£	£	£	£	£	
Staff costs	6a	-	457,654	123,338	165,145	122,850	868,987
Depreciation	9	5,104	150,204	33,596	165,312	-	354,216
Interest paid	5	79,065	20,531	14,313	40,042	3,494	157,445
Catering		-	190,827	42,320	58,880	-	292,027
Light & heat		5,414	125,136	43,362	26,516	-	200,428
Rent & rates		1,791	4,396	7,584	7,359	-	21,130
Maintenance		134,154	100,722	16,590	39,687	-	291,153
Replacements		-	-	-	1,202	-	1,202
Other costs		30,957	15,438	138,248	53,015	19,845	257,503
Audit		-	-	-	-	23,348	23,348
Support Costs allocated pro rata on other expenditures.		18,923	78,568	30,939	41,107	(169,537)	-
		<u>275,408</u>	<u>1,143,476</u>	<u>450,290</u>	<u>598,265</u>	-	<u>2,467,439</u>
Charitable Grants	18						-
Total 2022							<u>2,467,439</u>

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Note 5 Mortgage and loan interest	2023	2022
	£	£
Interest on mortgages and bank loans	154,918	157,444

Note 6a Staff Costs	2023	2022
	£	£
Wages and salaries	845,473	796,469
Social security costs	50,326	75,432
Employer's pensions contribution	13,293	22,421
	909,092	894,322

The average weekly number of employees during the year was as follows:

	2023	2022
	Actuals	Actuals
Charitable work: activities and operational	10	7
domestic/catering	35	37
Management and administration	2	2
	47	46

No employee earned £60,000 per annum or more (2021 nil).

Note 6b Governance Structure and Key Management Personnel

The Association considers its key management personnel to be its Trustees. As set out in Note 7, their total employment benefits including employer pension contributions were £nil (2022: £nil). The Trustees delegate the day-to-day running of NEA to an Executive Committee of Trustees including the Chairman. They are in frequent contact and must refer major and strategic decisions to meetings of all the Trustees. There is no chief executive, the two members of "headquarters" staff reporting to the Executive Committee. Each of the Association's centres has a Management Committee - formed of volunteers or employed staff as appropriate to the centre - with authority to run the activities in and from that centre in accordance with plans and budgets agreed with the Executive Committee.

Note 7 Emoluments of Trustees

No Trustee received any remuneration for his services during the year (2022 - nil). During the year 2022/23 NEA paid the travel costs of one Trustee amounting to £757 (2022 - three Trustees £1,262).

Note 8 Net income

Net income is shown after charging;

	2023	2022
	£	£
Depreciation	359,735	420,537
Auditor's remuneration - audit services	23,348	23,348
Loss on disposal of Tangible Fixed Assets	44,533	1,545
Loss/(Gain) on disposal of Programme Related Investments	(50,290)	816,400
Loss/(Gain) on Liquidation of Subsidiaries	(20,713)	-

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Note 9 Tangible Fixed Assets

	Land & Buildings £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost or valuation:				
At 1st October 2022	25,291,321	66,910	145,927	25,504,158
Additions during the year	220,055	-	15,975	236,030
Disposals	-	-	(20,158)	(20,158)
At 30th September 2023	<u>25,511,376</u>	<u>66,910</u>	<u>141,744</u>	<u>25,720,030</u>
Depreciation				
At 1st October 2022	5,163,535	66,643	105,857	5,336,035
Charge for the year	330,725	267	28,743	359,735
Depreciation on disposal	-	-	(16,186)	(16,186)
At 30th September 2023	<u>5,494,260</u>	<u>66,910</u>	<u>118,414</u>	<u>5,679,584</u>
Net Book Value				
At 30th September 2023	<u>20,017,116</u>	<u>-</u>	<u>23,330</u>	<u>20,040,446</u>
At 30th September 2022	<u>20,127,786</u>	<u>267</u>	<u>40,070</u>	<u>20,168,123</u>

The details of fixed assets are as follows - these revaluations have been taken as deemed costs following the transition to FRS102:

	2023 £	2022 £
<i>Land and buildings</i>		
At cost	25,330,283	25,110,228
Transfers to Programme Related Property Investments	(6,112,628)	(6,112,628)
At Trustees' valuation - 2018	667,562	667,562
At professional valuation - 1996	1,601,159	1,601,159
At professional valuation - 1993	4,025,000	4,025,000
	<u>25,511,376</u>	<u>25,291,321</u>

Included in freehold property is Netherhall House, part of which was during 2021/2022 leased to Netherhall Residences plc and New Netherhall Residences plc.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Included in land and buildings is an amount of £567,536 (2022 – £519,041) in respect of modification and refurbishment projects in progress, which is not depreciated. Subject to planning permissions these projects should be completed within five years.

A number of charges are in existence over the individual properties held by the organisation, as described in Note 15.

The net book value of land and buildings comprises:

	2023	2022 (Restated)
	£	£
Freehold	19,418,634	19,509,998
Long leasehold	598,482	617,788
	20,017,116	20,127,786

The restatement corrects a misallocation in the previous year's account.

Note 10a Fixed Asset Investments

At 30th September, fixed asset investments comprised the following:

	2023	2022
	£	£
Investment Properties (Note 10c)	5,278,622	5,128,622
Listed investments at market value	79,322	65,667
Investments in subsidiary undertakings	7,167,002	7,946,017
	12,524,946	13,140,306

Note 10b Programme Related Property Investments

	2023	2022
	£	£
Brought forward	5,049,584	9,464,273
Additions	-	-
Disposals	(5,049,584)	(4,414,689)
Carried forward	-	5,049,584

In 2001 and 2003, NEA purchased 3 and 2 Orme Court with the intention of transferring ownership of these properties at a future date to Dawliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. The properties were purchased with a £1,000,000 loan taken out by NEA and secured against one property, and £5,099,874 from the other charity. The bank loan has been repaid using income from renting the properties.

The transfer of these properties to Dawliffe Hall Educational Foundation took place on 31 December 2022 for zero consideration; this resulted in a net surplus of £50,290 in NEA's favour. The loan of £5,099,874 was cancelled producing the reduction in long-term liabilities shown in Note 14.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Note 10c Investment Properties

	2023	2022
	£	£
Brought forward	5,128,622	5,390,000
Trustees' Revaluation	150,000	-
Disposals	-	(261,378)
Carried forward	5,278,622	5,128,622

Note 10d Investment in Subsidiary Companies

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

	Holding	Proportion of Voting Rights and Shared Held	Nature of Business
<i>Subsidiary undertakings</i>			
Netherhall Residences plc	Ordinary shares	100%	Property Rental
New Netherhall Residences plc	Ordinary shares	100%	Property Rental
Netherhall International College Limited	Ordinary shares	100%	Education

Since their incorporation Netherhall Residences plc and New Netherhall Residences plc had had leases on parts of Netherhall House and rented rooms to student residents. On 30 May 2022 they surrendered the leases to the Charity. They ceased to trade from that date, the provision of accommodation subsequently being carried out by the Charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the Charity's investment in these subsidiaries is still reflected in the balance sheets for 30 September 2023. A surplus of £20,713 arising from this transaction has been taken to Statement of Financial Activities for 2022/23.

The business of Netherhall International College Limited is English language courses. The Company is dormant.

All of the subsidiaries are incorporated in England and registered in England and Wales.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Note 11 Debtors and Prepayments

	2023	2022
	£	£
Tax recoverable	67,872	105,825
Other debtors	11,084	(60,758)
Prepayments	-	20,406
	78,956	65,473
	78,956	65,473

Note 12 Cash at bank and in hand

	2023	2022
	£	£
Restricted	44,933	87,135
Unrestricted	933,841	981,500
	978,774	1,068,635
	978,774	1,068,635

Note 13 Creditors: Amounts falling due within one year

	2023	2022
	£	£
Secured mortgage loans (Note 15)	450,496	299,035
Other unsecured loans (Note 16)	1,191,745	1,263,699
Other taxes and social security	22,721	18,776
Other creditors	91,663	74,030
Accruals and deferred income	198,912	151,275
Amounts owed to subsidiaries	195,392	864,891
	2,150,929	2,671,706
	2,150,929	2,671,706

Deferred Rental Income

	2023	2022
	£	£
Balance as at 1st October 2022	34,167	38,693
Released during the year	(34,167)	(38,693)
Deferred during the year	38,693	34,167
	38,693	34,167
Balance carried forward at 30th September 2023	38,693	34,167

Netherhall Educational Association - Year to 30th September 2023
Notes to the Financial Statements (continued)

Note 14 Creditors: Amounts falling due after more than one year

	2023	2023	2022	2022
	£	£	£	£
Secured mortgage loans (see Note 15)				
- repayable after more than one year but within five years	592,908		1,152,934	
- repayable after more than five years	<u>876,415</u>		<u>5,850,859</u>	
		1,469,323		7,003,793
Unsecured loans (see Note 16)				
- repayable after more than one year but within five years	329,826		243,432	
- repayable after more than five years	<u>-</u>		<u>-</u>	
		<u>329,826</u>		<u>243,432</u>
		<u><u>1,799,149</u></u>		<u><u>7,247,225</u></u>

The long term secured loans at 30th September 2022 included £5,099,874 previously disclosed separately and relates to loans on programme related investments (see note 10b)

Note 15 Secured Loans

All secured loans are secured on the freehold property of both the tangible assets and programme related property investments. Interest is payable at both fixed and variable rates which, as at 30th September 2023, ranged between 1.86% to 4.0% above bank base-rate.

Secured loans due after more than one year are repayable by instalments until they are fully paid off in 2042.

	2023	2022
	£	£
Amounts falling due:		
in one year or less on demand	450,496	299,035
in more than one year but not more than two years	151,707	307,767
in more than two years but not more than five years	441,201	845,167
in more than five years	<u>876,415</u>	<u>5,850,859</u>
Total Secured Loans	1,919,819	7,302,828
Less: included in creditors –		
amounts falling due within one year (Note 13)	<u>(450,496)</u>	<u>(299,035)</u>
	<u><u>1,469,323</u></u>	<u><u>7,003,793</u></u>

Note 16 Unsecured Loans

	2023	2022
	£	£
Amounts falling due:		
in one year or less, or on demand	1,191,745	1,263,699
after one year but within five years	329,826	243,432
in more than five years	<u>-</u>	<u>-</u>
Total Unsecured Loans	1,521,571	1,507,131
Less: included in creditors –		
amounts falling due within one year (Note 13)	<u>(1,191,745)</u>	<u>(1,263,699)</u>
	<u><u>329,826</u></u>	<u><u>243,432</u></u>

Note 17 Taxation

As a charity NEA is exempt from both income and corporation tax as set out in Section 505 of the Income and Corporation Taxes Act 1988.

Group relief, where available, has been applied between subsidiary organisations details of which can be found on individual financial statements.

Netherhall Educational Association - Year to 30th September 2023
Notes to the Financial Statements (continued)

Note 18 Analysis of Designated and Restricted Resources

2022/2023	Opening Balance 1st Oct 22 £	Donation incl. GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 23 £
<u>Designated Funds</u>						
Memorial Funds						
Jeremy White Fellowship	538,809	-	5,388	-	-	544,197
Michael Richards	10,303	-	103	-	-	10,406
Richard Stork	-	10,000	-	-	-	10,000
Fixed Assets	37,395,865	-	-	-	(12,126,797)	25,269,068
less debt associated with assets	(8,254,020)	-	-	-	6,074,313	(2,179,707)
TOTAL DESIGNATED	29,690,957	10,000	5,491	-	(6,052,484)	23,653,964

<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	9,263	-	93	-	-	9,356
International Projects						
Fundación Cardenas Rosales	42,475	-	-	-	(42,475)	-
Pontifical University of the Holy Cross, Italy	-	6,875	-	(5,510)	(1,365)	-
Saxum Project, Jerusalem	35,397	180	-	-	-	35,577
TOTAL RESTRICTED	87,135	7,055	93	(5,510)	(43,840)	44,933

2021/2022	Opening Balance 1st Oct 21 £	Donation incl. GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 22 £
<u>Designated Funds</u>						
Jeremy White Memorial Fellowship Fund	533,474	-	5,335	-	-	538,809
Michael Richards Memorial Fund	10,201	-	102	-	-	10,303
Fixed Assets	42,215,924	-	-	-	(4,820,059)	37,395,865
less debt associated with assets	(12,048,681)	-	-	-	3,794,661	(8,254,020)
TOTAL DESIGNATED	30,710,918	-	5,437	-	(1,025,398)	29,690,957

<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	9,171	-	92	-	-	9,263
International Projects						
KDT - Uguwuoma Study Centre, Nigeria	-	-	-	-	-	-
Pontifical University of the Holy Cross	-	-	-	-	-	-
Fundación Cardenas Rosales	325	42,150	-	-	-	42,475
Saxum Project, Jerusalem	35,217	180	-	-	-	35,397
TOTAL RESTRICTED	44,713	42,330	92	-	-	87,135

Netherhall Educational Association - Year to 30th September 2023
Notes to the Financial Statements (continued)

Note 19 Movement on Reserves

2022/2023	At 1st October 2022	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Exchange differences	Transfers in Year	At 30th September 2023
	£	£	£	£	£	£	£
Unrestricted:							
General	(204,902)	2,793,771	(2,920,263)	150,000	59,217	6,096,324	5,974,147
Designated	29,690,957	15,491	-	-	-	(6,052,484)	23,653,964
Restricted:	87,135	7,148	(5,510)	-	-	(43,840)	44,933
	<u>29,573,190</u>	<u>2,816,410</u>	<u>(2,925,773)</u>	<u>150,000</u>	<u>59,217</u>	<u>-</u>	<u>29,673,044</u>
2021/2022	At 1st October 2021	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Exchange differences	Transfers in Year	At 30th September 2022
	£	£	£	£	£	£	£
Unrestricted:							
General	(580,570)	2,668,946	(2,478,379)	(816,727)	(23,570)	1,025,398	(204,902)
Designated	30,710,918	5,437	-	-	-	(1,025,398)	29,690,957
Restricted:	44,713	42,422	-	-	-	-	87,135
	<u>30,175,061</u>	<u>2,716,805</u>	<u>(2,478,379)</u>	<u>(816,727)</u>	<u>(23,570)</u>	<u>-</u>	<u>29,573,190</u>

Netherhall Educational Association - Year to 30th September 2023
Notes to the Financial Statements (continued)

Note 20 Analysis of Assets between Funds

as at 30th September 2023

	Fixed Assets £	Current Assets £	Creditors:		Total £
			Amounts falling due within 1 year £	Amounts falling due after 1 year £	
Unrestricted:					
General	7,296,324	448,194	(1,770,371)		5,974,147
Designated (see Note 18)	25,269,068	564,603	(380,558)	(1,799,149)	23,653,964
Restricted:	-	44,933	-	-	44,933
	<u>32,565,392</u>	<u>1,057,730</u>	<u>(2,150,929)</u>	<u>(1,799,149)</u>	<u>29,673,044</u>

as at 30th September 2022

	Fixed Assets £	Current Assets £	Creditors:		Total £
			Amounts falling due within 1 year £	Amounts falling due after 1 year £	
Unrestricted:					
General	962,148	497,861	(1,664,911)	-	(204,902)
Designated (see Note 18)	37,395,865	549,112	(1,006,795)	(7,247,225)	29,690,957
Restricted:	-	87,135	-	-	87,135
	<u>38,358,013</u>	<u>1,134,108</u>	<u>(2,671,706)</u>	<u>(7,247,225)</u>	<u>29,573,190</u>

Note 21 Related Party Transactions

Mr X Bosch is a trustee of the Opus Dei Charitable Trust which paid £5,000 (2022 - £41,000) to NEA towards the expenses of running 4-6 Orme Court. Mr Bosch and Mr J Valero are trustees of the Greygarth Association which at 30th September 2023 had made an unsecured loan of £69,133 with NEA; there had been no movement since the previous 30th September.

Mr Bosch, Dr Curtis, Dr Hegarty, and Mr Valero are members of the resident management teams of some of the centres of NEA. They are required to live in and receive free accommodation at the centre whose activities they help organise, on the same basis as other non-trustee members of those management teams.

Netherhall Educational Association - Year to 30th September 2023

Notes to the Financial Statements (continued)

Note 22 Notes to the Statement of Cash Flows

(a) Reconciliation of net income for the year to net cash inflow from operating activities.

	2023	2022
	£	£
Net income for the year	99,854	(601,873)
Interest receivable	-	(3,582)
Interest payable	154,918	157,444
Realised gain on investments	-	-
Unrealised gain/(loss) on investments	(13,656)	327
Depreciation	359,735	354,217
Revaluation of investments	(150,000)	56,184
Loss on disposal of fixed assets	3,972	1,545
Decrease/(increase) in debtors and prepayments	(13,483)	319,001
Disposal of programme related assets	(50,290)	4,414,689
(Decrease)/increase in creditors and accruals	199,445	(3,453)
Liquidation of subsidiaries	(20,713)	-
Net cash inflow from operating activities	569,782	4,694,499

(b) Analysis of changes in net debt.

	At 1st October 2022	Cash Flow	At 30th September 2023
	£	£	£
Cash at bank and in hand	1,068,635	(89,861)	978,774
	1,068,635	(89,861)	978,774
Debt due within one year	(1,562,734)	(79,507)	(1,642,241)
Debt due after one year	(7,247,225)	5,448,076	(1,799,149)
Net debt	(7,741,324)	5,278,708	(2,462,616)

Note 23 Operating lease commitments and Post Balance Sheet events.

At the reporting end date NEA had contracted - with minimum lease payments as shown, with the following:

	2023	2022
	£	£
<u>Cognita Limited for Southbank School at 16 Netherhall Gardens, London NW3</u>		
Within one year	320,000	320,000
Between two and five years	1,280,000	1,280,000
In over 5 years	613,333	933,333
Total	2,313,333	2,533,333

Since the Balance Sheet date, NEA has entered into an agreement to sell for £3.25m the property at 1 Leopold Road, London W5 in which it operated its former centre, Westpark. Completion on the sale is expected to take place in October 2024.

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales - Charity number 236586

Accounts

NETHERHALL EDUCATIONAL ASSOCIATION

(Limited by Guarantee)

Company No. 793583

**Registered as a charity in England and Wales (No. 236586)
and in Scotland (No. SC039209)**

TRUSTEES' REPORT

AND

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 2022

Netherhall Educational Association
(Limited by Guarantee)
Company Information

Trustees

X. Bosch, BA, FCA (chairman)
A.J. Curtis, MA, PhD
A.J. Hegarty, MA, DPhil
J.M. Mirabal, MA, FCMA (to 18 October 2021)
E.A.V Thompson
A. Tucker
J. Valero, MSc, DIC

Secretary

J.P. Covenden, BA, LL.B

Auditors

UHY Ross Brooke
Suite I Windrush Court,
Abingdon Business Park,
Abingdon
OX14 1SY

Bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EZ

Solicitors

Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Registered Office

18a Netherhall Gardens
London
NW3 5TH

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2022

The Trustees, who are the company directors of Netherhall Educational Association (NEA), submit their Annual Report together with the Accounts and Auditors' report for the year ended 30th September 2022. The Trustees during the year ended 30th September 2022 were those listed on page 1. The Trustees remained unchanged at the date the accounts were signed.

Netherhall Educational Association is a company limited by guarantee (No. 793583), its governing document being the Memorandum and Articles of Association last amended on 16th March 2008. It is a registered charity in England & Wales (No. 236586) and in Scotland (No. SC039209). The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

The Trustees form the Council of NEA, which has power to appoint new Trustees who serve until such time as they resign or are required to withdraw as stipulated by the Council. New Trustees are recruited from among NEA's volunteers and supporters, with a view to achieving a balance of skills and talents. They are provided with Charity Commission guidance on the roles and responsibilities of charity trustees, and they also receive informal training designed to supplement the knowledge and training they have already received from participation in the activities of NEA.

Objects and Activities

The objects of NEA are the advancement of education and learning and the training of character in accordance with Christian principles and ideals.

To achieve this, NEA aims to provide all-round formation for people of all ages, especially the young, to help them develop their talents to the full and use them in the service of society.

This personal development is seen as a harmonious union of all the following components:

- *academic and professional development* which enables men and women to do their work well, and to be more aware that study and work are principal means both of personal growth and of serving others;
- *social development* which promotes understanding and empathy with others regardless of background, race or creed, and fosters friendships and co-operation across cultural divides;
- *character development* which is founded on human virtues such as sincerity, loyalty, self-discipline, service to others and a spirit of hard work, with a deep appreciation of personal freedom and the corresponding responsibility; and
- *spiritual development* which allows men and women to find God in their family and working lives and to practise Christian principles and ideals.

Activities and Public Benefit

To achieve the aims set out above, NEA

- owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars;
- supports a number of educational and social projects outside Great Britain whose aims are consonant with its own.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011 they have due regard to public benefit guidance published by the Charity Commission. They confirm that the all-round formation imparted in and from the centres of NEA is for the benefit of the public in general.

All the activities – including those of religious formation, which are entrusted to Opus Dei, a personal prelature of the Catholic Church – are open to all who wish to participate, regardless of race, creed, or social background.

Outreach in the form of the promotion of formational activities outside NEA's centres means that participation is available to many more people than those who live in the residential centres or attend the clubs regularly.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2022 (continued)

Strategic Report

Achievements and Performance

In order to assess how successful it has been each year in meeting its aims, NEA has established a number of measures for its rolling plan which is updated each year. Performance against the targets which were approved for 2021/22 is described under the four headings shown in the Review of Performance.

Plans for Future Periods

The year 2021/22 and the period of the preparation of this Report saw the relaxation of the UK Government's hygiene restrictions imposed in response to Covid-19 pandemic. NEA has therefore been able to re-open of its halls of residence and residential conference centre, as well as resuming non-residential activities in and from other centres.

The Trustees take the view that, as effects of the disruption decrease the return of income flows will support the long-term sustainability of the charity. Over the past two years, NEA has continued to enjoy a wide base of supporters who work voluntarily in the delivery of its charitable objectives as well as advising and supporting the Trustees in governance and management. The Trustees greatly appreciate the help of generous individuals – often of modest circumstances – that have enabled the charity to go forward. NEA plans to consolidate its current centres and activities and look for new opportunities in future years.

Review of Performance

The Activities of the Centres

Target: in each centre a programme of activities for the benefit of the charity's beneficiaries.

With the removal of the hygiene restrictions in response to the Covid-19 pandemic the pre-Covid programme of activities was restored. The numbers at both Netherhall House and Wickenden Manor increased but have not yet returned to accustomed levels. As in the previous year, Grandpont House remained full throughout the year. With refurbishment works completed, Orme Court returned to normal occupancy levels. There was a full programme of activities at Kelston, Dunreath, and Edenbrook.

Target: each centre to work within its headline (break-even) budget carrying out prudent measures for the upkeep of the fabric and equipment.

As in the previous year, close liaison continued between the Executive Committee of Trustees and the management committees of the centres, identifying the extent to which operational savings and additional funding streams could be found. Where centres would not be able to meet their budgeting break-even, subsidies from reserves were made.

The opportunity was taken to undertake whatever routine maintenance work proved possible.

Support for International Projects

Target: obtain funding to provide support for selected projects consonant with NEA's objectives.

During 2021/22, NEA received donations for International Projects, including associated *GiftAid*, of £42,330. Based on this and previously received funds NEA was able to award a grant of €50,000 to *Fundación Cardenas Rosales* after appropriate checks had been carried out to ensure that the recipients were *bona-fide* not-for-profit bodies with aims consonant with those of NEA.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2022(continued))

Financial Review

Financing

Target: raising of donations that will enable the repayment of the loans by which NEA has financed the acquisition of its premises and major refurbishments.

During the year regular donations from supporters of £1,195,555 compared to £1,309,598 the previous year. Although the economic effect of the pandemic is felt throughout the population, the Trustees believe there is a wide base of supporters who contribute to the funds of NEA as well as working voluntarily in the delivery of charitable objectives. They expect the charity will be able to go forward with their generous help. One-off donations were received of £42,330 compared to £39,229 the previous year.

Target: the administration of other income streams which enable capital repayments to be made.

Income from Charitable Activities was £834,258 in 2021/22 compared to £520,599 the previous year. This reflects the return to near normal occupancy of the halls of residence and conference centre following the pandemic and of refurbishment works. Although NEA was able to add only £232,723 compared with £402,517 in 2021 to its reserves, before investment gains, the Trustees regard this as a satisfactory position as regards commitments to capital repayments.

The administrative costs of running the charity continue to be very low, due to our broad base of skilled volunteers who carry out much of the work for each of the centres and for the running of the charity as a whole: Note 6 to the Accounts reflects the fact that only one of the nine centres has paid administrative staff and the head office functions with only two paid employees.

Development of existing and new centres

Target: the development of existing and new centres with funding arranged and repayment plans in place.

The refurbishment at 7-8 Orme Court to improve facilities for residents was completed. Planning permissions were obtained for new works at Wickenden Manor and parts of Orme Court.

Risk Management

The Trustees are aware that NEA's activities depend for their continuance on voluntary income from regular and one-off donations. By the nature of NEA and its work, these donations proceed in the main from long-term supporters committed to on-going help for the activities carried out from the centres which they are funding. The Trustees make extensive efforts, personally and through others, to maintain a continual relationship with these supporters and to increase their number.

The Trustees have furthermore undertaken an assessment of the risks, both operational and financial, to which NEA is exposed. They believe they have procedures in place to manage and reduce risks:

- to human life and welfare, by the adoption of health & safety policies and training;
- to young or vulnerable people, by having in place suitable policies and procedures;
- to incoming resources from non-charitable rental income, by suitable insurance;
- to operational and investment tangible assets, by appropriate maintenance and insurance; and
- to charity resources, by appropriate control procedures.

The Trustees believe they are thereby addressing the main risks to the continuance of NEA and its activities and taking measures consistent with the nature of the Charity and its resources.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2022(continued)

Review of Subsidiaries

The principal activity of Netherhall Residences plc and New Netherhall Residences plc was the provision of the rented accommodation aspect of the hall of residence at Netherhall House. These two companies surrendered their leases on parts of Netherhall House to the Charity on 30 May 2022. They ceased to trade from that date, the provision of accommodation subsequently being carried out by the Charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the Charity's investment in these subsidiaries is still reflected in the balance sheets for 30 September 2022. The subsidiaries' financial statements for the period to 30 May 2022 are summarised in Note 10.

Netherhall International College's principal activity is the provision of short courses in English during summer vacations at Netherhall House. The Company was dormant in 2021/22.

Investment Policy

During 2011/12, NEA was gifted UK and overseas equities with a market value at the time of acceptance of £71,348. At that time the Trustees decided to retain these holdings in the expectation of annual income and capital growth. They review this decision regularly.

Since 2017, NEA owned the buildings used by The Cedars, a secondary day school in Croydon, Surrey, which it leased to PACT Educational Trust Ltd, the previous owners who continued to operate the school. The Trustees considered this to be a strategic investment as PACT shares very similar aims and objectives to those of NEA. The financial operation of the school ensured that the rental charged at least covered the repayments on the bank loan which NEA took out to purchase the school. In 2021/22, the Trustees agreed to the proposal of PACT that the property should be sold back to PACT and the lease reversed. This transaction was completed in April 2022 and NEA's corresponding bank loan repaid.

NEA also holds as investments buildings which it has acquired on sites adjacent to its operational properties. The rental income from these properties have helped service the mortgage or other loans with which the properties were purchased. In the longer term these properties may become premises from which NEA will carry out its charitable activities.

Reserves Policy

Total reserves at 30th September 2022 amounted to £29,567,487 (2021 £30,170,062) of which £87,135 (2021 £44,713) were restricted. The Trustees have designated £549,112 (2021 £543,675) for two named memorial funds generally in support of students, and £29,141,845 (2021 £30,167,243) representing the net book value of NEA's operational and investment properties less associated outstanding borrowings. At 30th September 2022, therefore, NEA's free unrestricted funds showed a negative position of £210,605 (2021 negative £580,569). Thus, NEA continues to have no free unrestricted funds at the end of 2021/22, due primarily to the two years' Covid-related reduction numbers in the halls of residence and the conference centre and to previous purchases of significant fixed assets. NEA's ongoing policy is to work towards a situation where year-on-year surpluses can be added to the free reserves to support both NEA's on-going operations and its commitments in respect of its fixed assets. This policy will be reviewed annually.

As explained in Note 2 to the Financial Statements the Trustees take the view that the NEA is a going concern. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity and therefore continues to adopt the going concern basis in preparing its financial statements.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2022 (continued)

Statement on Fundraising

NEA obtains its voluntary income predominantly from its supporters and those who participate in its activities. It does not make appeals to the general public. The Trustees are satisfied that they comply as applicable with the requirements of The Charities (Protection and Social Investment) Act 2016. In this context there are no participators, vulnerable persons are protected, and no complaints have been received.

Statement of Trustees' Responsibilities

Auditors

UHY Ross Brooke have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed auditors for the ensuing year.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Netherhall Educational Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments 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 charitable company will continue in operation.

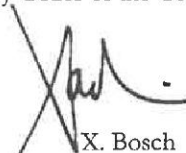
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: 27-6-23

By Order of the Council


X. Bosch
Chairman

Independent Auditor's Report to the Members and Trustees of Netherhall Educational Association

Opinion

We have audited the financial statements of Netherhall Educational Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise of the Group statement of Financial Activities, the Group and Parent charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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) and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 September 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 Trustees' 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 statement or our knowledge obtained in the course of 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 parent 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 group's and parent 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 group or the parent 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Group and the sector in which it operates and considered the risk of the Charitable Group not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the charitable company and group this included compliance with Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The risks were discussed with the audit team, and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management and officers of the Charitable Group and a review of legal fees in the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and its trustees 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 parent charitable company and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Caroline Webster FCA (Senior Statutory Auditor)

For and on behalf of
UHY Ross Brooke
Chartered Accountants
Statutory Auditors

Suite I,
Abingdon Business Park,
Abingdon,
OX14 1SY

28/6/23

Netherhall Educational Association - Year to 30th September 2022
Consolidated Statement of Financial Activities including Income and Expenditure Account

	Note	Unrestricted Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME						
Charitable activities	3	834,258	-	-	834,258	520,599
Donations and legacies						
Regular donations	3	1,195,555	-	-	1,195,555	1,309,598
One-off donations and bequests	3/18		-	42,330	42,330	39,229
Investment income						
Investment properties		399,071	5,335	-	404,406	1,077,114
Interest and dividends		3,388	102	92	3,582	1,928
Other income		526,344	-	-	526,344	274,850
Total Income		<u>2,958,616</u>	<u>5,347</u>	<u>42,422</u>	<u>3,006,475</u>	<u>3,223,318</u>
EXPENDITURE						
Raising funds	4	(274,257)			(274,257)	(442,464)
Charitable activities						
Residential activity centres	4	(1,455,325)			(1,455,325)	(1,425,741)
Residential and non- residential programmes	4	(448,407)			(448,407)	(383,661)
Clubs and study centres	4	(595,763)			(595,763)	(467,638)
Grants	4/18	-	-	-	-	(96,297)
Programme related investment properties	10	-	-	-	-	-
Total Expenditure		<u>(2,773,752)</u>	<u>-</u>	<u>-</u>	<u>(2,773,752)</u>	<u>(2,815,801)</u>
Unrealised gains/(losses)						
Investment properties.	10	(816,400)	-		(816,400)	-
Listed investments	10	(327)			(327)	19,454
Exchange differences		(23,571)			(23,571)	-
Net Income/(Expenditure)	8a	<u>(655,434)</u>	<u>5,437</u>	<u>42,422</u>	<u>(607,575)</u>	<u>426,971</u>
Transfers between Funds	18	1,025,398	(1,025,398)	-	-	-
Net Movements in funds		<u>369,964</u>	<u>(1,019,961)</u>	<u>42,422</u>	<u>(607,575)</u>	<u>426,971</u>
Balance Brought Forward		<u>(580,569)</u>	<u>30,710,918</u>	<u>44,713</u>	<u>30,175,062</u>	<u>29,748,091</u>
Total Funds	19/20	<u><u>(210,605)</u></u>	<u><u>29,690,957</u></u>	<u><u>87,135</u></u>	<u><u>29,567,487</u></u>	<u><u>30,175,062</u></u>

There were no recognised gains or losses other than those shown above.

All activities relate to continuing operations.


The notes on pages 14 onwards form part of these financial statements.

Netherhall Educational Association - Year to 30th September 2022
Consolidated Balance Sheet at 30th September 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible assets	9		27,217,660		27,361,651
Programme related investments	10		5,049,584		9,464,273
Investments	10		<u>5,194,289</u>		<u>5,455,994</u>
			37,461,533		42,281,918
Current Assets					
Debtors and Prepayments	11	65,473		384,474	
Cash at bank and in hand	12	<u>1,102,135</u>		<u>798,127</u>	
		1,167,608		1,182,601	
Creditors: Amounts falling due within one year	13	<u>(1,814,429)</u>		<u>(2,401,200)</u>	
Net Current Liabilities			<u>(646,821)</u>		<u>(1,218,599)</u>
Total Assets less Current Liabilities			36,814,712		41,063,319
Mortgages and other loans	14		(7,247,225)		(10,888,257)
			<u>29,567,487</u>		<u>30,175,062</u>
Funds					
	19/20				
Unrestricted:					
General fund			(210,605)		(580,569)
Designated:					
Jeremy White Memorial Fellowship Fund		538,809		533,474	
Michael Richards Memorial Fund		10,303		10,201	
Properties		<u>29,141,845</u>		<u>30,167,243</u>	
			29,690,957		30,710,918
Restricted:					
Jeremy White Memorial Bursary Fund		9,263		9,171	
International Projects		<u>77,872</u>		<u>35,542</u>	
			87,135		44,713
			<u>29,567,487</u>		<u>30,175,062</u>

The notes on pages 14 onwards form part of these financial statements.

Approved and authorised by the Council on 27-6-23

Trustee 

Company Number 793583


Netherhall Educational Association - Year to 30th September 2022
Balance Sheet at 30th September 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible assets	9		20,168,123		20,245,795
Programme related investments	10		5,049,584		9,464,273
Investments	10		13,140,306		13,412,951
			38,358,013		43,123,019
Current Assets					
Debtors and Prepayments	11	65,473		384,474	
Cash at bank and in hand	12	1,068,636		764,532	
		1,134,109		1,149,006	
Creditors: Amounts falling due within one year	13	(2,671,706)		(3,208,705)	
Net Current Liabilities			(1,537,597)		(2,059,699)
Total Assets less Current Liabilities			36,820,416		41,063,320
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		(7,247,225)		(10,888,257)
			29,573,191		30,175,063
Funds					
	19/20				
Unrestricted:					
General fund			(204,901)		(580,568)
Designated:					
Jeremy White Memorial Fellowship Fund		538,809		533,474	
Michael Richards Memorial Fund		10,303		10,201	
Properties Reserve		29,141,845		30,167,243	
			29,690,957		30,710,918
Restricted:					
Jeremy White Memorial Bursary Fund		9,263		9,171	
International Projects		77,872		35,542	
			87,135		44,713
			29,573,191		30,175,063

The notes on pages 14 onwards form part of these financial statements.

Approved and authorised by the Council on 27/6/23

Trustee



Company Number 793583

Netherhall Educational Association - Year to 30th September 2022
Consolidated Cash Flow Statement

	Notes	2022 £	2022 £	2021 £	2021 £
Net Cash Inflow from Operating Activities	22		279,715		845,403
Returns on Investments and Servicing of Finance					
Bank interest paid		(157,444)		(171,470)	
Interest received		<u>3,582</u>		<u>1,928</u>	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(153,862)		(169,542)
Taxation			-		-
Capital Expenditure and Financial Investment					
Payments to acquire tangible fixed assets		(278,090)		(219,122)	
Payments on (acquisition)/disposal of Programme Related investments		261,378		-	
Payments on (acquisition)/disposal of Investment properties		<u>4,414,689</u>		<u>(46,037)</u>	
Net Cash Inflow (Outflow) from Capital Expenditure and Financial Investment			<u>4,397,977</u>		<u>(265,159)</u>
Net Cash Inflow (Outflow) before Financing			4,523,830		410,702
Financing					
New long-term loans		-		-	
Repayment of long-term loans		<u>(4,219,822)</u>		<u>(176,505)</u>	
			(4,219,822)		(176,505)
Increase/(Decrease) in Cash			<u><u>304,008</u></u>		<u><u>234,197</u></u>
Reconciliation of Net Cash Flow to Movement in Net Debt					
			2022 £		2021 £
Increase/(decrease) in cash			304,008		410,702
New long-term loans			-		-
Repayment of long-term loans			<u>4,219,822</u>		<u>176,505</u>
Movement in Net Debt in the Year			4,523,830		410,702
Net debt at 1st October (Note 22)			<u>(12,231,654)</u>		<u>(12,642,356)</u>
Net Debt at 30th September (Note 22)			<u><u>(7,707,824)</u></u>		<u><u>(12,231,654)</u></u>

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements

1 Objects and Organisation of the Association

The Association is a registered charity for the advancement of education within the Christian ideal, incorporated under the Companies Act 2006, limited by guarantee and having no share capital. (As from 15th October 1980, the word 'Limited' is omitted by licence of the Secretary of State for Trade.) It is organised as follows:

- ownership of various properties, the financing of the related mortgages, fund-raising activities, and general administration are the responsibility of the Association;
- the properties are run as independent centres and their operation is the responsibility of the various house management committees; they are run according to the principles of the Association, and to achieve its objects.

2 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of NEA to continue as a going concern for at least another 12 months from the date of approval of the financial statements. In particular the Trustees have considered NEA's forecasts and projections and have taken account of pressures on income. The Trustees take the view that, with suitable cash-flow management, the loss of income in the two previous financial years does not threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity, a number of whom have made interest-free loans. The Trustees will be re-considering its strategic plans in the light of performance in 2021/22. They are aware that for many years NEA's net current liabilities have been negative. This results from a large number of interest-free loans from supporters which are payable on demand. Having reviewed forecasts, cashflows and budgets for at 12 months from the date of signing these accounts in order to determine the going concern status, the Trustees have concluded that there is a reasonable expectation that NEA has adequate resources to continue in operational existence for the foreseeable future. NEA therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of Consolidation

The group accounts consolidate the accounts of Netherhall Educational Association and its subsidiary undertakings drawn up to 30th September. As permitted by Section 480 of the Companies Act 2006, no separate statement of financial activities for Netherhall Educational Association is presented.

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

Accounting Policies (continued)

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund.

Depreciation of Fixed Assets

Freehold land is not depreciated. The Trustees have used the transitional arrangements of FRS102 with regards to revalued assets to be carried at deemed cost. The cost or valuation of other tangible fixed assets is depreciated by annual instalments over their expected useful lives as follows:

Long leasehold buildings	50 years
Freehold buildings	50 – 200 years
Furniture and fittings	10 years
Motor vehicles	4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable.

The capitalisation threshold is set at £2,500.

Financial Instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments (and has no instruments required to be accounted for under Section 12 “Other Financial Instruments”). Financial instruments are recognised in the charity’s balance sheet when the charity becomes party to the contractual obligations of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right of set off and an intention to settle the net amount. With the exceptions of prepayment, deferred income and balances due to/from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Other financial instrument assets include investments which are measured at fair value, with movements in unrealised gains as disclosed in note 10.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Programme related investments – properties

Properties which are used to help fulfil the charity's objectives are initially recognised at cost and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

Investments

Some of the group's properties are held for long-term investment. The costs of investment properties include, where

Notes to the Financial Statements (continued)

Accounting Policies (continued)

appropriate, interest on capital employed, capitalised during their development periods. Investment properties are accounted for in accordance with FRS 102, as follows:

- investment properties are revalued, and the aggregate surplus or deficit is transferred to the investment property revaluation reserve; where the total of the investment property revaluation reserve is insufficient to cover a deficit the excess is charged in the Statement of Financial Activities; and
- no depreciation is provided in respect of freehold investment properties.

The carrying values of investments in subsidiaries are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable.

Income

All income is included in the Statement of Financial Activities on a receivable basis. Where income is received in advance, it is carried forward as deferred income and is released in the period to which it relates.

Allocation of Costs

Charitable expenditure includes salary costs of staff employed at the centres, depreciation of fixed assets owned by NEA, interest paid on NEA's loans and other charitable expenditure.

Support costs include the salary costs of the finance staff, depreciation of computer and other equipment and other administration expenditure. They are re-allocated to the other activities in line with expenditure on those activities.

Governance costs comprises audit fees and other compliance costs.

Expenditure is charged on an accruals basis. Grants payable are included in the Statements of Financial Activities when approved and communicated to a third party to create a constructive obligation.

Foreign currencies transactions

Unsecured loans expressed in foreign currencies have been translated into sterling at the rates of exchange ruling at the year-end date. All exchange gains/losses have been reflected in the statement of financial activities.

Fund Accounting

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds that are set aside by the Trustees out of general funds for specific future purposes or objects.

Restricted funds are funds that can only be used for specific purposes within the objects of the charity. Restrictions arise when specified by the donor(s).

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Critical accounting estimates and judgements

In the application of NEA's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives. The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

Provisions. The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

3 Donations

Donations include £250,639 (2021 – £272,652) for donations received by the various centres. No legacies were received during the year (2021 – nil). NEA is able to recover tax on donations received under GiftAid.

Income from charitable activities relates to residential fees, charges for courses and activities, and subscriptions.

As a charity, the Association is not liable to taxation on its income provided this is fully applied to the furtherance of its objects.

4 Analysis of Expenditure 2021/22

	Note	Genera-ting funds £	Residential activity centres £	Residential & non-residential activities £	Clubs & study centres £	Support Costs £	2022 Total £
Staff costs	6a	-	482,989	123,338	165,145	122,850	894,322
Depreciation	9	5,104	216,524	33,596	165,312	-	420,536
Interest paid	5	79,065	20,531	14,313	40,042	3,494	157,445
Catering		-	190,827	42,320	58,880	-	292,027
Light & heat		5,414	170,402	43,362	26,516	-	245,694
Rent & rates		1,791	4,396	7,584	7,359	-	21,130
Maintenance		134,154	154,426	16,590	39,687	-	344,857
Replacements		-	-	-	1,202	-	1,202
Other costs		30,957	120,926	138,248	53,015	30,045	373,191
Audit		-	-	-	-	23,348	23,348
Support Costs allocated pro rata on other expenditures.		17,772	94,304	29,056	38,605	(179,737)	-
		<u>274,257</u>	<u>1,455,325</u>	<u>448,407</u>	<u>595,763</u>	-	<u>2,773,752</u>
Charitable Grants	18						-
Total 2022							<u><u>2,773,752</u></u>

Analysis of Expenditure 2020/21

	Note	Genera-ting funds £	Residential activity centres £	Residential & non-residential activities £	Clubs & study centres £	Support Costs £	2021 Total £
Staff costs	6a	-	381,733	97,308	71,776	161,349	712,166
Depreciation	9	34,531	231,145	38,253	180,406	-	484,335
Interest paid	5	132,397	-	35,691	-	3,382	171,470
Catering		-	165,722	26,527	55,935	-	248,184
Light & heat		5,788	117,491	30,592	29,940	-	183,811
Rent & rates		-	2,316	4,504	7,372	-	14,192
Maintenance		204,777	84,792	8,675	22,307	11,790	332,341
Replacements		-	2,242	12,215	4,997	-	19,454
Other costs		24,403	309,578	94,719	52,029	37,408	518,137
Audit		-	-	-	-	35,414	35,414
Support Costs allocated pro rata on other expenditures.		40,568	130,722	35,177	42,876	(249,343)	-
		<u>442,464</u>	<u>1,425,741</u>	<u>383,661</u>	<u>467,638</u>	-	<u>2,719,504</u>
Charitable Grants	18						96,297
Total 2021							<u><u>2,815,801</u></u>

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

5	Mortgage and loan interest	2022	2021
		£	£
	Interest on mortgages and bank loans	157,444	171,470

6a	Staff Costs	2022	2021
		£	£
	Wages and salaries	796,469	652,301
	Social security costs	75,432	44,878
	Employer's pensions contribution	22,421	14,987
		<u>894,322</u>	<u>712,166</u>

The average weekly number of employees during the year was as follows:

	2022	2021
	Actuals	Actuals
Charitable work: activities and operational	7	9
domestic/catering	37	37
Management and administration	2	2
	<u>46</u>	<u>48</u>

No employee earned £60,000 per annum or more (2021 nil).

6b Governance Structure and Key Management Personnel

The Association considers its key management personnel to be its Trustees. As set out in Note 7, their total employment benefits including employer pension contributions were £nil (2020: £nil). The Trustees delegate the day-to-day running of NEA to an Executive Committee of Trustees including the Chairman. They are in frequent contact and must refer major and strategic decisions to meetings of all the Trustees. There is no chief executive, the two members of "headquarters" staff reporting to the Executive Committee. Each of the Association's centres has a Management Committee - formed of volunteers or employed staff as appropriate to the centre - with authority to run the activities in and from that centre in accordance with plans and budgets agreed with the Executive Committee.

7 Emoluments of Trustees

No Trustee received any remuneration for his services during the year (2021 - nil). During the year 2021/22 NEA paid the travel costs of three Trustees amounting to £1,262 (2021 - three Trustees £988).

8 Retained Surplus Attributable to Parent Company

The retained deficit (after charging depreciation, audit fees split parent and group, and loss on sale of fixed assets and before unrealised gains/losses on investments and exchange differences) dealt with in the accounts of the parent company was £238,416 (2021 - £596,346). The company is exempt from publication of its own profit and loss account under Section 480 of the Companies Act 2006.

8a Net income

Net income is shown after charging;

	2022	2021
	£	£
Group		
Depreciation	420,537	484,335
Auditor's remuneration - audit services	23,348	35,414
Auditor's remuneration - other	-	-
Loss on disposal of Tangible Fixed Assets	1,545	-
Loss on disposal of Programme Related Investments	816,400	-
Gain on disposal of Investment Property	(261,378)	-
	<u>1,045,452</u>	<u>519,749</u>

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

9 Tangible Fixed Assets

	Land & Buildings £	Furniture & Fittings £	Motor Vehicles £	Total £
Group				
Cost or valuation:				
At 1st October 2021 (restated)	34,414,506	66,910	164,542	34,645,958
Additions during the year	274,130	-	3,960	278,090
Disposals	-	-	(22,575)	(22,575)
At 30th September 2022	<u>34,688,636</u>	<u>66,910</u>	<u>145,927</u>	<u>34,901,473</u>
Depreciation				
At 1st October 2021 (restated)	7,114,217	63,039	107,051	7,284,307
Charge for the year	397,096	3,604	19,836	420,536
Depreciation on disposal	-	-	(21,030)	(21,030)
At 30th September 2022	<u>7,511,313</u>	<u>66,643</u>	<u>105,857</u>	<u>7,683,813</u>
Net Book Value				
At 30th September 2022	<u>27,177,323</u>	<u>267</u>	<u>40,070</u>	<u>27,217,660</u>
At 30th September 2021 (restated)	<u>27,300,289</u>	<u>3,871</u>	<u>57,491</u>	<u>27,361,651</u>
Company				
Cost or valuation:				
At 1st October 2021 (restated)	25,017,191	66,910	164,542	25,248,643
Additions during the year	274,130	-	3,960	278,090
Disposals	-	-	(22,575)	(22,575)
At 30th September 2022	<u>25,291,321</u>	<u>66,910</u>	<u>145,927</u>	<u>25,504,158</u>
Depreciation				
At 1st October 2021 (restated)	4,832,758	63,039	107,051	5,002,848
Charge for the year	330,777	3,604	19,836	354,217
Depreciation on disposal	-	-	(21,030)	(21,030)
At 30th September 2022	<u>5,163,535</u>	<u>66,643</u>	<u>105,857</u>	<u>5,336,035</u>
Net Book Value				
At 30th September 2022	<u>20,127,786</u>	<u>267</u>	<u>40,070</u>	<u>20,168,123</u>
At 30th September 2021 (restated)	<u>20,184,433</u>	<u>3,871</u>	<u>57,491</u>	<u>20,245,795</u>

The restatements relating to the previous years' fixed assets are in relation to items being reclassified whilst maintaining the same total net book value.

The details of fixed assets are as follows - these revaluations have been taken as deemed costs following the transition to FRS102:

	Group		Company	
	2022	2021 (restated)	2022	2021 (restated)
<i>Land and buildings</i>	£	£	£	£
At cost	25,108,702	24,834,572	25,110,228	24,838,098
Transfers to Programme Related Property Investments	(6,112,628)	(6,112,628)	(6,112,628)	(6,112,628)
At Trustees' valuation - 2018	667,562	667,562	667,562	667,562
At professional valuation - 1996	11,000,000	11,000,000	1,601,159	1,601,159
At professional valuation - 1993	4,025,000	4,025,000	4,025,000	4,025,000
	<u>34,688,636</u>	<u>34,414,506</u>	<u>25,291,321</u>	<u>25,017,191</u>

Included in freehold property is Netherhall House, part of which has been leased to Netherhall Residences plc and New Netherhall Residences plc.

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

Included in land and buildings is an amount of £519,041 (2021– £1,472,495) in respect of modification and refurbishment projects in progress, which is not depreciated. Subject to planning permissions these projects should be completed within five years.

A number of charges are in existence over the individual properties held by the organisation, as described in Note 15.

The net book value of land and buildings comprises:

	Group		Company	
	2022	2021 (restated)	2022	2021 (restated)
	£	£	£	£
Freehold	26,501,617	26,604,725	19,452,080	19,488,869
Long leasehold	675,706	695,564	675,706	695,564
	27,177,323	27,300,289	20,127,786	20,184,433

10 Fixed Asset Investments

At 30th September, fixed asset investments comprised the following:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Investment Properties	5,128,622	5,390,000	5,128,622	5,390,000
Listed investments at market value	65,667	65,994	65,667	65,994
Investments in subsidiary undertakings	-	-	7,946,017	7,956,957
	5,194,289	5,455,994	13,140,306	13,412,951

Programme Related Property Investments

	Group and Company	
	2022	2021
	£	£
Brought forward	9,464,273	9,423,236
Additions	-	41,037
Disposal of The Cedars School	(4,414,689)	-
Carried forward	5,049,584	9,464,273

At 1st October 2022 the Programme Related Property Investments comprise 2 and 3 Orme Court, London W2.

In 2001 and 2003, NEA purchased 3 and 2 Orme Court with the intention of transferring ownership of these properties at a future date to Dawliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. The properties were purchased with a £1,000,000 loan taken out by NEA and secured against one property, and £5,099,874 from the other charity. The bank loan has been repaid using income from renting the properties.

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

Investment Properties	Group and Company	
	2022	2021
	£	£
Brought forward	5,390,000	5,385,000
Additions	-	5,000
Disposals	<u>(261,378)</u>	-
Carried forward	<u>5,128,622</u>	<u>5,390,000</u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

	Holding	Proportion of Voting Rights and Shared Held	Nature of Business
<i>Subsidiary undertakings</i>			
Netherhall Residences plc	Ordinary shares	100%	Property Rental
New Netherhall Residences plc	Ordinary shares	100%	Property Rental
Netherhall International College Limited	Ordinary shares	100%	Education

Netherhall Residences plc and New Netherhall Residences plc provide rental accommodation for students. The business of Netherhall International College Limited is English language courses. The Company is dormant.

All of the group subsidiaries are incorporated in England and registered in England and Wales.

Results of Subsidiaries for the Year

	Netherhall Residences plc	New Netherhall Residences plc	Netherhall International College Limited	Total
	£ 30th May 2022	£ 30th May 2022	£ 30th Sept 2022	£
Turnover	107,979	181,691	-	289,670
Cost of Sales	<u>(115,371)</u>	<u>(124,622)</u>	-	<u>(239,993)</u>
	(7,392)	57,069	-	49,677
Administrative expenses	(32,889)	(33,431)	-	(66,320)
Other operating income	-	-	-	-
Profit/(Loss) on ordinary activities before taxation	<u>(40,281)</u>	23,638	-	<u>(16,643)</u>
Taxation	-	-	-	-
Retained Profit/(Loss) for year to 30th September 2022	<u>(40,281)</u>	<u>23,638</u>	-	<u>(16,643)</u>
Retained Profit/(Loss) for year to 30th September 2021	<u>(30,947)</u>	<u>(11,129)</u>	-	<u>(19,817)</u>
Assets	3,685,746	4,259,474	2,705	7,947,925
Liabilities	<u>-</u>	<u>(7,613)</u>	-	<u>(7,613)</u>
Net Assets/Shareholder Funds 30th September 2022	<u>3,685,746</u>	<u>4,251,861</u>	<u>2,705</u>	<u>7,940,312</u>
Net Assets/Shareholder Funds 30th September 2021 (restated)	<u>3,726,027</u>	<u>4,228,224</u>	<u>2,705</u>	<u>7,954,252</u>

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

Netherhall Residences and New Netherhall Residences surrendered their leases on parts of Netherhall House to the Charity on 30 May 2022. They ceased to trade from that date, the provision of accommodation subsequently being carried out by the Charity. At the time of signing these accounts approval was awaited from HMRC for their liquidation; and the Charity's investment in these subsidiaries is still reflected in the balance sheets for 30 September 2022.

11 Debtors and Prepayments	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Tax recoverable	105,825	167,751	105,825	167,751
Other debtors	(60,758)	196,317	(60,758)	196,317
Accruals and prepayments	20,406	20,406	(20,406)	20,406
	<u>65,473</u>	<u>384,474</u>	<u>65,473</u>	<u>384,474</u>

12 Cash at bank and in hand	Group		Company	Company
	2022	2021	2022	2021
	£	£	£	£
Restricted	87,135	44,713	87,135	44,713
Unrestricted	1,015,000	753,414	981,501	719,819
	<u>1,102,135</u>	<u>798,127</u>	<u>1,068,636</u>	<u>764,532</u>

13 Creditors: Amounts falling due within one year	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Secured mortgage loans (Note 15)	299,035	454,514	299,035	454,514
Other unsecured loans (Note 16)	1,263,699	1,687,010	1,263,699	1,687,010
Other taxes and social security	18,776	15,093	18,776	15,093
Other creditors	74,030	53,376	74,030	53,376
Accruals and deferred income	158,889	191,207	151,275	179,065
Amounts owed to subsidiaries	-	-	864,891	819,647
	<u>1,814,429</u>	<u>2,401,200</u>	<u>2,671,706</u>	<u>3,208,705</u>

There is a bank overdraft facility available to NEA that is secured by a floating charge over certain of the group's assets.

Deferred Rental Income

	Group and Company	
	2022	2021
	£	£
Balance as at 1st October 2021	38,693	38,693
Released during the year	(38,693)	(38,693)
Deferred during the year	34,167	38,693
Balance carried forward at 30th September 2022	<u>34,167</u>	<u>38,693</u>

Netherhall Educational Association - Year to 30th September 2022
Notes to the Financial Statements (continued)

14 Creditors: Amounts falling due after more than one year	Group and Company			
	2022	2022	2021	2021
	£	£	£	£
Secured mortgage loans (see Note 15)				
- repayable after more than one year but within five years	1,152,934		1,860,122	
- repayable after more than five years	<u>5,850,859</u>		<u>8,721,496</u>	
		7,003,793		10,581,618
Unsecured loans (see Note 16)				
- repayable after more than one year but within five years	243,432		306,639	
- repayable after more than five years	<u>-</u>		<u>-</u>	
		<u>243,432</u>		<u>306,639</u>
		<u>7,247,225</u>		<u>10,888,257</u>

The long term secured loans included £5,099,874 previously disclosed separately and relates to loans on programme related investments (see note 10)

15 Secured Loans

All secured loans are secured on the freehold property of both the tangible assets and programme related property investments. Interest is payable at both fixed and variable rates which, as at 30th September 2022, ranged between 1.86% to 4.0% above bank base-rate.

Secured loans due after more than one year are repayable by instalments until they are fully paid off in 2042.

	Group and Company	
	2022	2021
	£	£
Amounts falling due:		
in one year or less on demand	299,035	454,514
in more than one year but not more than two years	307,767	466,036
in more than two years but not more than five years	845,167	1,394,086
in more than five years	<u>5,850,859</u>	<u>8,721,496</u>
Total Secured Loans	7,302,828	11,036,132
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(299,035)</u>	<u>(454,514)</u>
	<u>7,003,793</u>	<u>10,581,618</u>

16 Unsecured Loans

	Group and Company	
	2022	2021
	£	£
Amounts falling due:		
in one year or less on demand	1,263,699	1,687,010
after one year but within five years	243,432	306,639
in more than five years	<u>-</u>	<u>-</u>
Total Unsecured Loans	1,507,131	1,993,649
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(1,263,699)</u>	<u>(1,687,010)</u>
	<u>243,432</u>	<u>306,639</u>

17 Taxation

As a charity NEA is exempt from both income and corporation tax as set out in Section 505 of the Income and Corporation Taxes Act 1988.

Group relief, where available, has been applied between subsidiary organisations details of which can be found on individual financial statements.

Netherhall Educational Association - Year to 30th September 2022
Notes to the Financial Statements (continued)

18 Analysis of Designated and Restricted Resources 2021/2022

	Opening Balance 1st Oct 21 £	Donation incl GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 22 £
Designated Funds						
Jeremy White Memorial Fellowship Fund	533,474	-	5,335	-	-	538,809
Michael Richards Memorial Fund	10,201	-	102	-	-	10,303
Fixed Assets	42,215,924	-	-	-	(4,820,059)	37,395,865
	(12,048,681)	-	-	-	3,794,661	(8,254,020)
TOTAL DESIGNATED	30,710,918	-	5,437	-	(1,025,398)	29,690,957
Restricted Funds						
Jeremy White Memorial Bursary Fund	9,171	-	92	-	-	9,263
International Projects KDT - Ugwuoma Study Centre, Nigeria	-	-	-	-	-	-
Pontifical University of the Holy Cross	-	-	-	-	-	-
Fundación Cardenas Rosales	325	42,150	-	-	-	42,475
Saxum Project, Jerusalem	35,217	180	-	-	-	35,397
TOTAL RESTRICTED	44,713	42,330	92	-	-	87,135

Analysis of Designated and Restricted Resources 2020/2021

	Opening Balance 1st Oct 20 £	Donation incl GiftAid £	Income Credited £	Payments £	Transfers £	Closing Balance 30th Sep 21 £
Designated Funds						
Jeremy White Memorial Fellowship Fund	528,192	-	5,282	-	-	533,474
Michael Richards Memorial Fund	10,100	-	101	-	-	10,201
Fixed Assets	42,435,100	-	-	-	(219,176)	42,215,924
	(12,547,723)	-	-	-	499,042	(12,048,681)
TOTAL DESIGNATED	30,425,669	-	5,383	-	279,866	30,710,918
Restricted Funds						
Jeremy White Memorial Bursary Fund	9,080	-	91	-	-	9,171
International Projects KDT - Ugwuoma Study Centre, Nigeria	57,669	-	-	(57,643)	(26)	-
Pontifical University of the Holy Cross	-	5,000	-	(5,000)	-	-
Fundación Cardenas Rosales	-	33,979	-	(33,654)	-	325
Saxum Project, Jerusalem	34,967	250	-	-	-	35,217
TOTAL RESTRICTED	101,716	39,229	91	(96,297)	(26)	44,713

Netherhall Educational Association - Year to 30th September 2022
Notes to the Financial Statements (continued)

19 Movement on Reserves 2021/2022

Group	At 1st October 2021 £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Exchange differences £	Transfers in Year £	At 30th September 2022 £
Unrestricted: General	(580,569)	2,958,616	(2,773,752)	(816,727)	(23,571)	1,025,398	(210,605)
Designated:	30,710,918	5,437	-	-	-	(1,025,398)	29,690,957
Restricted:	44,713	42,422	-	-	-	-	87,135
	<u>30,172,062</u>	<u>3,006,475</u>	<u>(2,773,752)</u>	<u>(816,727)</u>	<u>(23,571)</u>	<u>-</u>	<u>29,567,487</u>

Company	At 1st October 2021 £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Exchange differences £	Transfers in Year £	At 30th September 2022 £
Unrestricted: General	(580,568)	2,668,946	(2,478,379)	(816,727)	(23,571)	1,025,398	(204,901)
Designated:	30,710,918	5,437	-	-	-	(1,025,398)	29,690,957
Restricted:	44,713	42,422	-	-	-	-	87,135
	<u>30,175,063</u>	<u>2,716,805</u>	<u>(2,478,379)</u>	<u>(816,727)</u>	<u>(23,571)</u>	<u>-</u>	<u>29,573,191</u>

Movement on Reserves 2020/2021

Group	At 1st October 2020 £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties Revaluation £	Transfers in Year £	At 30th September 2021 £
Unrestricted: General	(779,294)	3,178,615	(2,719,504)	19,454	-	(279,840)	(540,569)
Designated:	30,425,669	5,383	-	-	-	279,866	30,710,918
Restricted:	101,716	39,320	(96,297)	-	-	(26)	44,713
	<u>29,748,091</u>	<u>3,223,318</u>	<u>(2,815,801)</u>	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>30,175,062</u>

Company	At 1st October 2020 £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties Revaluation £	Transfers in Year £	At 30th September 2021 £
Unrestricted: General	(968,122)	2,906,754	(2,258,814)	19,454	-	(279,840)	(580,568)
Designated:	30,425,669	5,383	-	-	-	279,866	30,710,918
Restricted:	101,716	39,320	(96,297)	-	-	(26)	44,713
	<u>29,559,263</u>	<u>2,951,457</u>	<u>(2,355,111)</u>	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>30,175,063</u>

Netherhall Educational Association - Year to 30th September 2021

Notes to the Financial Statements (continued)

20 Analysis of Assets between Funds as at 30th September 2022

Group	Creditors:				Total
	Fixed Assets	Current Assets	Amounts falling due within 1 year	Amounts falling due after 1 year	
	£	£	£	£	
Unrestricted:					
General	65,668	1,080,473	(1,356,746)	-	(210,605)
Designated (see Note 18)	37,395,865	-	(457,683)	(7,247,225)	29,690,957
Restricted:	-	87,135	-	-	87,135
	<u>37,461,533</u>	<u>1,167,608</u>	<u>(1,814,429)</u>	<u>(7,247,225)</u>	<u>29,567,487</u>

Analysis of Assets between Funds as at 30th September 2021

Group	Creditors:				Total
	Fixed Assets	Current Assets	Amounts falling due within 1 year	Amounts falling due after 1 year	
	£	£	£	£	
Unrestricted:					
General	-	1,137,888	(1,718,457)	-	(580,569)
Designated (see Note 18)	42,281,918	-	(682,743)	(10,888,257)	30,710,918
Restricted:	-	44,713	-	-	44,713
	<u>42,281,918</u>	<u>1,182,601</u>	<u>(2,401,200)</u>	<u>(10,888,257)</u>	<u>30,175,062</u>

21 Related Party Transactions

Mr X Bosch is a trustee of the Opus Dei Charitable Trust which paid £41,000 (2021 - £41,000) to NEA towards the expenses of running 4-6 Orme Court. Mr Bosch and Mr J Valero are trustees of the Greygarth Association which at 30th September 2022 had made an unsecured loan of £69,133 with NEA; the movements since the 30 September 2021 balance of £119,294 being a net repayment of £20,000 and a recharge of insurance premiums incurred on behalf of the lender.

Until February 2022, Mr J Valero was director of PACT Educational Trust Limited which runs The Cedars School. The school building and site was purchased by NEA in December 2018 and PACT Educational Trust leased it back for £20,000 per month under a 25-year lease. The aims of PACT Educational Trust are in line with the aims of NEA in that both organisations emphasise character formation in education based on training in the virtues. As explained in Note 10 this property was re-purchased by PACT in April 2022.

Mr Bosch, Dr Curtis, Dr Hegarty, Mr Mirabal, and Mr Valero are members of the resident management teams of some of the centres of NEA. They are required to live in and receive free accommodation at the centre whose activities they help organise, on the same basis as other non-trustee members of those management teams.

Netherhall Educational Association - Year to 30th September 2022

Notes to the Financial Statements (continued)

22 Notes to the Statement of Cash Flows

(a) Reconciliation of net income for the year to net cash inflow from operating activities.

	2022	2021
	£	£
Net income for the year	(607,575)	426,971
Interest receivable	(3,582)	(1,928)
Interest payable	157,444	171,470
Realised gain on investments	-	-
Unrealised gain/(loss) on investments	327	(19,454)
Depreciation	420,536	484,335
Impairment of asset	-	-
Loss on disposal of fixed assets	1,545	-
Decrease/(increase) in debtors and prepayments	319,001	(71,855)
(Decrease)/increase in creditors and accruals	(7,981)	(144,136)
Net cash inflow from operating activities	279,715	845,403

(b) Analysis of changes in net debt.

	At 1st October 2021	Cash Flow	At 30th September 2022
	£	£	£
Cash at bank and in hand	798,127	304,008	1,102,135
	798,127	304,008	1,102,135
Debt due within one year	(2,141,524)	578,790	(1,562,734)
Debt due after one year	(10,888,257)	3,641,032	(7,247,225)
Net debt	(12,231,654)	4,523,830	(7,707,824)

23 Operating lease commitments and Post Balance Sheet events.

At the reporting end date NEA had contracted - with minimum lease payments as shown, with the following:

	2022	2021
	£	£
<u>Cognita Limited for Southbank School at 16 Netherhall Gardens, London NW3</u>		
Within one year	320,000	320,000
Between two and five years	1,280,000	1,280,000
In over 5 years	933,333	1,253,333
Total	2,533,333	2,853,333
<u>with PACT Educational Trust Limited for The Cedars School, Croydon</u>		
Within one year	-	240,000
Between two and five years	-	960,000
In over 5 years	-	3,900,000
Total	-	5,100,000
Total	-	7,953,333

As explained in the Investment Policy on page 5, NEA disposed of the buildings used by The Cedars in April 2022.

As explained in the Review of Subsidiaries on page 5 Netherhall Residences plc and New Netherhall Residences plc were at the date of signing these accounts in liquidation having surrendered to NEA their leases on parts of Netherhall House in May 2022.

The restatements relating to the previous years' fixed assets are in relation to items being reclassified whilst maintaining the same total net book value.

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales - Charity number 236586

Accounts

NETHERHALL EDUCATIONAL ASSOCIATION

(Limited by Guarantee)

Company No. 793583

Registered as a charity in England and Wales (No. 236586)
and in Scotland (No. SC039209)

TRUSTEES' REPORT

AND

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 2021

Netherhall Educational Association
(Limited by Guarantee)
Company Information

Trustees

X. Bosch, BA, FCA (chairman)
A.J. Curtis, MA, PhD
A.J. Hegarty, MA, DPhil
J.M. Mirabal, MA, FCMA
E.A.V Thompson
A. Tucker
J. Valero, MSc, DIC

Secretary

J.P. Covenden, BA, LL.B

Auditors

Price Bailey LLP
3rd Floor, 24 Old Bond St
Mayfair
London
W1S 4AP

Bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EZ

Solicitors

Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Registered Office

18a Netherhall Gardens
London
NW3 5TH

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2021

The Trustees, who are the company directors of Netherhall Educational Association (NEA), submit their Annual Report together with the Accounts and Auditors' report for the year ended 30th September 2021. The Trustees during the year ended 30th September 2021 were those listed on page 1. Mr. J.M. Mirabal resigned on 18th October 2021, except for him, the Trustees remained unchanged at the date the accounts were signed.

Netherhall Educational Association is a company limited by guarantee (No. 793583), its governing document being the Memorandum and Articles of Association last amended on 16th March 2008. It is a registered charity in England & Wales (No. 236586) and in Scotland (No. SC039209). The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

The Trustees form the Council of NEA, which has power to appoint new Trustees who serve until such time as they resign or are required to withdraw as stipulated by the Council. New Trustees are recruited from among NEA's volunteers and supporters, with a view to achieving a balance of skills and talents. They are provided with Charity Commission guidance on the roles and responsibilities of charity trustees, and they also receive informal training designed to supplement the knowledge and training they have already received from participation in the activities of NEA.

Objects and Activities

The objects of NEA are the advancement of education and learning and the training of character in accordance with Christian principles and ideals.

To achieve this, NEA aims to provide all-round formation for people of all ages, especially the young, to help them develop their talents to the full and use them in the service of society.

This personal development is seen as a harmonious union of all the following components:

- *academic and professional development* which enables men and women to do their work well, and to be more aware that study and work are principal means both of personal growth and of serving others;
- *social development* which promotes understanding and empathy with others regardless of background, race or creed, and fosters friendships and co-operation across cultural divides;
- *character development* which is founded on human virtues such as sincerity, loyalty, self-discipline, service to others and a spirit of hard work, with a deep appreciation of personal freedom and the corresponding responsibility; and
- *spiritual development* which allows men and women to find God in their family and working lives and to practise Christian principles and ideals.

Activities and Public Benefit

To achieve the aims set out above, NEA

- owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars;
- supports a number of educational and social projects outside Great Britain whose aims are consonant with its own.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011 they have due regard to public benefit guidance published by the Charity Commission. They confirm that the all-round formation imparted in and from the centres of NEA is for the benefit of the public in general.

All the activities – including those of religious formation, which are entrusted to Opus Dei, a personal prelature of the Catholic Church – are open to all who wish to participate, regardless of race, creed, or social background.

Outreach in the form of the promotion of formational activities outside NEA's centres means that participation is available to many more people than those who live in the residential centres or attend the clubs regularly.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2021 (continued)

Strategic Report

Achievements and Performance

In order to assess how successful it has been each year in meeting its aims, NEA has established a number of measures for its rolling plan which is updated each year. Performance against the targets which were approved for 2020/21 is described under the four headings shown in the Review of Performance.

Plans for Future Periods

The year 2020/21 and the period of the preparation of this Report saw the relaxation of the UK Government's hygiene restrictions imposed in response to Covid-19 pandemic. NEA has therefore been able to re-open its halls of residence and residential conference centre, as well as resuming non-residential activities in and from other centres.

The Trustees take the view that, as effects of the disruption decrease the return of income flows will support the long-term sustainability of the charity. Over the past two years, NEA has continued to enjoy a wide base of supporters who work voluntarily in the delivery of its charitable objectives as well as advising and supporting the Trustees in governance and management. The Trustees greatly appreciate the help of generous individuals – often of modest circumstances – that have enabled the charity to go forward. NEA plans to consolidate its current centres and activities and look for new opportunities in future years.

Review of Performance

The Activities of the Centres

Target: in each centre a programme of activities for the benefit of the charity's beneficiaries.

As the hygiene restrictions in response to the Covid-19 were eased during 2021 and the pre-Covid programme of activities began to be restored. The numbers at both Netherhall House and Wickenden Manor increased but were still down on accustomed levels, due to residual reluctance to get back to previous 'normal' activity. As in the previous year, Grandpont House remained full throughout the year of mostly graduate students who were able to continue their research. At Orme Court the refurbishment works were completed during 2020.

Target: each centre to work within its headline (break-even) budget carrying out prudent measures for the upkeep of the fabric and equipment.

As in the previous year, close liaison continued between the Executive Committee of Trustees and the management committees of the centres, identifying the extent to which operational savings and additional funding streams could be found. Where centres would not be able to meet their budgeting break-even, subsidies from reserves were made. The extensive planning carried out over the summer of 2020 led to over 50% occupancy of Netherhall House. and the conference centre as restrictions might change in 2020/21.

The opportunity was taken to undertake whatever routine maintenance work proved possible.

Support for International Projects

Target: obtain funding to provide support for selected projects consonant with NEA's objectives.

During 2020/21, NEA received donations, including associated *GiffAid*, of £39,229. From these and amounts totalling £101,716 collected in previous years, NEA was able to award grants of: £57,600 to the KDT - Ugwuoma Study Centre, Enugu, Nigeria (approved in 2019/20), £5,000 to the Pontifical University of the Holy Cross, and £33,700k to the Fundación Cardenas Rosales. Checks had been carried out to ensure that the recipients were *bona-fide* not-for-profit bodies with aims consonant with those of NEA.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2021 (continued)

Financial Review

Financing

Target: raising of donations that will enable the repayment of the loans by which NEA has financed the acquisition of its premises and major refurbishments.

During the year regular donations from supporters of £1,309,598 compared to £1,170,960 the previous year. Although the economic effect of the pandemic is felt throughout the population, the Trustees believe there is a wide base of supporters who contribute to the funds of NEA as well as working voluntarily in the delivery of charitable objectives. They expect the charity will be able to go forward with their generous help. One-off donations were received of £39,229 compared to £78,000 the previous year.

Target: the administration of other income streams which enable capital repayments to be made.

Income from Charitable Activities was £520,599 in 2020/21 compared to £644,699 the previous year, in which there had been full occupancy of the halls of residence in the autumn term of 2019 which was not matched in 2020 due to the effect of the pandemic and of refurbishment works. Overall, NEA was able to add £402,517 (2020 £677,614 reduction) to its reserves, before investment gains. The Trustees regard this as a satisfactory position as regards commitments to capital repayments.

The administrative costs of running the charity continue to be very low, due to our broad base of skilled volunteers who carry out much of the work for each of the centres and for the running of the charity as a whole: Note 6 to the Accounts reflects the fact that only one of the nine centres has paid administrative staff and the head office functions with only two paid employees.

Development of existing and new centres

Target: the development of existing and new centres with funding arranged and repayment plans in place.

The opportunity of Covid-19 restrictions was taken to refurbish 7-8 Orme Court to improve facilities for future residents.

Risk Management

The Trustees are aware that NEA's activities depend for their continuance on voluntary income from regular and one-off donations. By the nature of NEA and its work, these donations proceed in the main from long-term supporters committed to on-going help for the activities carried out from the centres which they are funding. The Trustees make extensive efforts, personally and through others, to maintain a continual relationship with these supporters and to increase their number.

The Trustees have furthermore undertaken an assessment of the risks, both operational and financial, to which NEA is exposed. They believe they have procedures in place to manage and reduce risks:

- to human life and welfare, by the adoption of health & safety policies and training;
- to young or vulnerable people, by having in place suitable policies and procedures;
- to incoming resources from non-charitable rental income, by suitable insurance;
- to operational and investment tangible assets, by appropriate maintenance and insurance; and
- to charity resources, by appropriate control procedures.

The Trustees believe they are thereby addressing the main risks to the continuance of NEA and its activities and taking measures consistent with the nature of the Charity and its resources.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2021 (continued)

Review of Subsidiaries

The principal activity of Netherhall Residences plc and New Netherhall Residences plc is the provision of the rented accommodation aspect of the hall of residence at Netherhall House. Their separate financial statements are summarised in Note 10. The final pre-tax positions are losses of £137,317 and £66,728. These two companies are at the date of signing these accounts in liquidation having surrendered to the Charity their leases on parts of Netherhall House in May 2022.

Netherhall International College's principal activity is the provision of short courses in English during summer vacations at Netherhall House. Due to Covid restrictions no courses were held in 2021, and the Company was dormant.

Investment Policy

During 2011/12, NEA was gifted UK and overseas equities with a market value at the time of acceptance of £71,348. At that time the Trustees decided to retain these holdings in the expectation of annual income and capital growth. They review this decision regularly.

Since 2017, NEA owned the buildings used by The Cedars, a secondary day school in Croydon, Surrey, which it leased to PACT Educational Trust Ltd, the previous owners who continued to operate the school. The Trustees considered this to be a strategic investment as PACT shares very similar aims and objectives to those of NEA. The financial operation of the school ensured that the rental charged at least covered the repayments on the bank loan which NEA took out to purchase the school. Subsequent to the date of these accounts, the Trustees agreed to the proposal of PACT that the property should be sold back to PACT and the lease reversed. This transaction was completed in April 2022 and NEA's corresponding bank loan repaid.

NEA also holds as investments buildings which it has acquired on sites adjacent to its operational properties. The rental income from these properties have helped service the mortgage or other loans with which the properties were purchased. In the longer term these properties may become premises from which NEA will carry out its charitable activities.

Reserves Policy

Total reserves at 30th September 2021 amounted to £30,170,062 (2020 £29,748,091) of which £44,713 (2020 £101,716) were restricted. The Trustees have designated £543,675 (2020 £538,292) for two named memorial funds generally in support of students, and £30,167,243 (2020 £29,887,377) representing the net book value of NEA's operational and investment properties less associated outstanding borrowings. At 30th September 2021, therefore, NEA's free unrestricted funds showed a negative position of £585,569 (2020 negative £779,294). Thus, NEA continues to have no free unrestricted funds at the end of 2020/21, due primarily to two years' Covid-related reduced numbers in the halls of residence and the conference centre and the previous purchases of significant fixed assets. NEA's ongoing policy is to work towards a situation where year-on-year surpluses can be added to the free reserves to support both NEA's on-going operations and its commitments in respect of its fixed assets. This policy will be reviewed annually.

As explained in Note 2 to the Financial Statements the Trustees take the view that the NEA is a going concern. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity and therefore continues to adopt the going concern basis in preparing its financial statements.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report 30th September 2021 (continued)

Statement on Fundraising

NEA obtains its voluntary income predominantly from its supporters and those who participate in its activities. It does not make appeals to the general public. The Trustees are satisfied that they comply as applicable with the requirements of The Charities (Protection and Social Investment) Act 2016. In this context there are no participants, vulnerable persons are protected, and no complaints have been received.

Statement of Trustees' Responsibilities

Auditors

Price Bailey LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed auditors for the ensuing year.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Netherhall Educational Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: 12/12/21

By Order of the Council

X Bosch

Independent Auditor's Report to the Members and Trustees of Netherhall Educational Association

Opinion

We have audited the financial statements of Netherhall Educational Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise of the Group statement of Financial Activities, the Group and Parent charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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) and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 September 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 Trustees' 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 statement or our knowledge obtained in the course of 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 parent 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 group's and parent 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 group or the parent 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Group and the sector in which it operates and considered the risk of the Charitable Group not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the charitable company and group this included compliance with Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management and officers of the Charitable Group and a review of legal fees in the period.

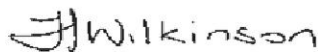
Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and its trustees 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 parent charitable company and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

3rd Floor,
24 Old Bond St,
Mayfair,
London
W1S 4AP

Date: 13 December 2022

Netherhall Educational Association - Year to 30th September 2021
Consolidated Statement of Financial Activities including Income and Expenditure Account

	Note	Unrestricted Funds 2021	Designated Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
INCOME						
Charitable activities	3	520,599	-	-	520,599	644,699
Donations and legacies						
Regular donations	3	1,309,598	-	-	1,309,598	1,170,960
One-off donations and bequests	3/18	-	-	39,229	39,229	78,000
Investment income						
From investment properties		1,077,114	-	-	1,077,114	1,135,926
Interest and dividends		1,736	101	91	1,928	2,276
Other income		269,568	5,282	-	274,850	119,791
Total Income		3,178,615	5,383	39,320	3,223,318	3,151,652
EXPENDITURE						
Raising funds	4	442,464	-	-	442,464	422,407
Charitable activities						
Residential activity centres	4	1,425,741	-	-	1,425,741	1,453,898
Residential and non-residential programmes	4	383,661	-	-	383,661	328,932
Clubs and study centres	4	467,638	-	-	467,638	624,029
Grants	4/18	-	-	96,297	96,297	-
Programme related investment properties	10	-	-	-	-	1,000,000
Total Expenditure		2,719,504	-	96,297	2,815,801	3,829,266
Net gains/(losses) on investments						
Unrealised losses on investment properties	10	-	-	-	-	(880,697)
Unrealised gains/(losses) on listed investments	10	19,454	-	-	19,454	(30,013)
Net Income/(Expenditure)	8a	478,565	5,383	(56,977)	426,971	(1,588,324)
Transfers between Funds	18	(279,840)	279,866	(26)	-	-
Net Movements in funds		198,725	285,249	(57,003)	426,971	(1,588,324)
Balance Brought Forward		(779,294)	30,425,669	101,716	29,748,091	31,336,415
Total Funds	19/20	(580,569)	30,710,918	44,713	30,175,062	29,748,091

There were no recognised gains or losses other than those shown above.
All activities relate to continuing operations.

The notes on pages 13 onwards form part of these financial statements.

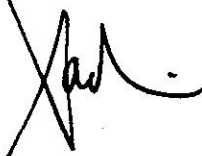
Netherhall Educational Association - Year to 30th September 2021
Consolidated Balance Sheet at 30th September 2021

	Notes	2021	2021	2020	2020
		£	£	£	£
Fixed Assets					
Tangible assets	9		27,361,651		27,626,864
Programme related investments	10		9,464,273		9,423,236
Investments	10		<u>5,455,994</u>		<u>5,431,540</u>
			42,281,918		42,481,640
Current Assets					
Debtors and Prepayments	11	384,474		312,619	
Cash at bank and in hand	12	<u>798,127</u>		<u>955,197</u>	
		1,182,601		1,267,816	
Creditors: Amounts falling due within one year	13	<u>(2,401,200)</u>		<u>(2,608,537)</u>	
Net Current Liabilities			<u>(1,218,599)</u>		<u>(1,340,721)</u>
Total Assets less Current Liabilities			41,063,319		41,140,919
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		<u>(10,888,257)</u>		<u>(11,392,828)</u>
			<u>30,175,062</u>		<u>29,748,091</u>
Funds					
	19/20				
Unrestricted:					
General fund			(580,569)		(779,294)
Designated:					
Jeremy White Memorial Fellowship Fund		533,474		528,192	
Michael Richards Memorial Fund		10,201		10,100	
Properties		21,482,396		21,202,530	
Investment properties revaluation reserve		<u>8,684,847</u>		<u>8,684,847</u>	
			30,710,918		30,425,669
Restricted:					
Jeremy White Memorial Bursary Fund		9,171		9,080	
International Projects		<u>35,542</u>		<u>92,636</u>	
			44,713		101,716
			<u>30,175,062</u>		<u>29,748,091</u>

The notes on pages 14 onwards form part of these financial statements.

Approved and authorised by the Council on 12/12/22

Trustee



Company Number 793583

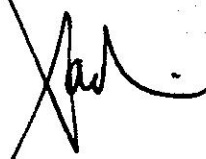
Netherhall Educational Association - Year to 30th September 2021
Balance Sheet at 30th September 2021

	Notes	2021	2021	2020	2020
		£	£	£	£
Fixed Assets					
Tangible assets	9		20,245,795		20,411,529
Programme related investments	10		9,464,273		9,423,236
Investments	10		<u>13,412,951</u>		<u>13,545,614</u>
			43,123,019		43,380,379
Current Assets					
Debtors	11	384,474		312,619	
Cash at bank and in hand	12	<u>764,532</u>		<u>921,533</u>	
		1,149,006		1,234,152	
Creditors: Amounts falling due within one year	13	<u>(3,208,705)</u>		<u>(3,473,610)</u>	
Net Current Liabilities			<u>(2,059,699)</u>		<u>(2,239,458)</u>
Total Assets less Current Liabilities			41,063,320		41,140,921
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		(10,888,257)		(11,392,829)
Net Assets			<u><u>30,175,063</u></u>		<u><u>29,748,092</u></u>
Funds	19/20				
Unrestricted:					
General			(580,568)		(779,293)
Designated:					
Jeremy White Memorial Fellowship Fund		533,474		528,192	
Michael Richards Memorial Fund		10,201		10,100	
Properties		21,482,396		21,202,530	
Investment properties revaluation reserve		<u>8,684,847</u>		<u>8,684,847</u>	
			30,710,918		30,425,669
Restricted:					
Jeremy White Memorial Bursary Fund		9,171		9,080	
International Projects		<u>35,542</u>		<u>92,636</u>	
			44,713		101,716
			<u><u>30,175,063</u></u>		<u><u>29,748,092</u></u>

The notes on pages 14 onwards form part of these financial statements.

Approved and authorised by the Council on 12/12/22

Trustee



Company Number 793583

Netherhall Educational Association - Year to 30th September 2021
Consolidated Cash Flow Statement

	Notes	2021	2021	2020	2020
		£	£	£	£
Net Cash Inflow from Operating Activities	22		845,402		622,529
Returns on Investments and Servicing of Finance					
Bank interest paid		(171,470)		(183,245)	
Interest received		<u>1,928</u>		<u>2,276</u>	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(169,542)		(180,969)
Taxation			-		-
Capital Expenditure and Financial Investment					
Payments to acquire tangible fixed assets		(219,122)		(867,867)	
Payments to acquire property investments		(46,037)		(122,324)	
Net Cash Inflow (Outflow) from Capital Expenditure and Financial Investment			<u>(265,159)</u>		<u>(990,191)</u>
Net Cash Inflow (Outflow) before Financing			410,701		(548,631)
Financing					
New long-term loans		-		680,000	
New CBILS loan		-		500,000	
Repayment of long-term loans		<u>(567,771)</u>		<u>(176,505)</u>	
			(567,771)		1,003,495
Increase/(Decrease) in Cash			<u>(157,070)</u>		<u>454,864</u>
Reconciliation of Net Cash Flow to Movement in Net Debt					
		2021		2020	
		£		£	
Increase/(decrease) in cash		(157,070)		454,864	
New long-term loans		-		(1,180,000)	
Repayment of long-term loans		<u>567,771</u>		<u>176,505</u>	
Movement in Net Debt in the Year			410,701		(548,631)
Net debt at 1st October (Note 22)			<u>(12,642,356)</u>		<u>(12,093,725)</u>
Net Debt at 30th September (Note 22)			<u>(12,231,655)</u>		<u>(12,642,356)</u>

Netherhall Educational Association - Year to 30th September 2021

Notes to the Financial Statements

1 Objects and Organisation of the Association

The Association is a registered charity for the advancement of education within the Christian ideal, incorporated under the Companies Act 2006, limited by guarantee and having no share capital. (As from 15th October 1980, the word 'Limited' is omitted by licence of the Secretary of State for Trade.) It is organised as follows:

- ownership of various properties, the financing of the related mortgages, fund-raising activities, and general administration are the responsibility of the Association;
- the properties are run as independent centres and their operation is the responsibility of the various house management committees; they are run according to the principles of the Association, and to achieve its objects.

2 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of NEA to continue as a going concern for at least another 12 months from the date of approval of the financial statements. In particular the Trustees have considered NEA's forecasts and projections and have taken account of pressures on income. Covid-19 control measures resulted in the need to close the doors of the halls of residence and conference centre for long periods, with resulting loss of income. However, the Trustees take the view that, with suitable cash-flow management, the loss of income does not threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity, a number of whom have made interest-free loans. The Trustees will be re-considering its strategic plans in the light of performance in 2021/22. They are aware that for many years NEA's net current liabilities have been negative. This results from a large number of interest-free loans from supporters which are payable on demand. Having reviewed forecasts, cashflows and budgets for at 12 months from the date of signing these accounts in order to determine the going concern status, the Trustees have concluded that there is a reasonable expectation that NEA has adequate resources to continue in operational existence for the foreseeable future. NEA therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of Consolidation

The group accounts consolidate the accounts of Netherhall Educational Association and its subsidiary undertakings drawn up to 30th September. As permitted by Section 480 of the Companies Act 2006, no separate statement of financial activities for Netherhall Educational Association is presented.

Netherhall Educational Association - Year to 30th September 2021 Notes to the Financial Statements (continued)

Accounting Policies (continued)

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund.

Depreciation of Fixed Assets

Freehold land is not depreciated. The Trustees have used the transitional arrangements of FRS102 with regards to revalued assets to be carried at deemed cost. The cost or valuation of other tangible fixed assets is depreciated by annual instalments over their expected useful lives as follows:

Long leasehold buildings	50 years
Freehold buildings	50 – 200 years
Furniture and fittings	10 years
Motor vehicles	4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable.

The capitalisation threshold is set at £2,500.

Financial Instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments (and has no instruments required to be accounted for under Section 12 “Other Financial Instruments”). Financial instruments are recognised in the charity’s balance sheet when the charity becomes party to the contractual obligations of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right of set off and an intention to settle the net amount. With the exceptions of prepayment, deferred income and balances due to/from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Other financial instrument assets include investments which are measured at fair value, with movements in unrealised gains as disclosed in note 10.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Programme related investments – properties

Properties which are used to help fulfill the charity’s objectives are initially recognised at cost and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

Investments

Some of the group’s properties are held for long-term investment. The costs of investment properties include, where appropriate, interest on capital employed, capitalised during their development periods. Investment properties are accounted for in accordance with FRS 102, as follows:

- investment properties are revalued and the aggregate surplus or deficit is transferred to the investment property revaluation reserve; where the total of the investment property revaluation reserve is insufficient to cover a deficit the excess is charged in the Statement of Financial Activities;
- no depreciation is provided in respect of freehold investment properties.

The carrying values of investments in subsidiaries are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable.

Income

All income is included in the Statement of Financial Activities on a receivable basis.

Where income is received in advance, it is carried forward as deferred income and is released in the period to which it relates.

Netherhall Educational Association - Year to 30th September 2021 Notes to the Financial Statements (continued)

Accounting Policies (continued)

Allocation of Costs

Charitable expenditure includes salary costs of staff employed at the centres, depreciation of fixed assets owned by NEA, interest paid on NEA's loans and other charitable expenditure.

Support costs include the salary costs of the finance staff, depreciation of computer and other equipment and other administration expenditure. They are re-allocated to the other activities in line with expenditure on those activities.

Governance costs comprises audit fees and other compliance costs.

Expenditure is charged on an accruals basis. Grants payable are included in the Statements of Financial Activities when approved and communicated to a third party to create a constructive obligation.

Foreign currencies transactions

Unsecured loans expressed in foreign currencies have been translated into sterling at the rates of exchange ruling at the year end date. All exchange gains/losses have been reflected in the statement of financial activities.

Fund Accounting

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds that are set aside by the Trustees out of general funds for specific future purposes or objects.

Restricted funds are funds that can only be used for specific purposes within the objects of the charity. Restrictions arise when specified by the donor(s).

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Critical accounting estimates and judgements

In the application of NEA's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Provisions

The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

3 Donations

Donations include £272,652 (2020 – £399,264) for donations received by the various centres. No legacies were received during the year (2020 – nil). NEA is able to recover tax on donations received under GiftAid.

Income from charitable activities relates to residential fees, charges for courses and activities, and subscriptions.

As a charity, the Association is not liable to taxation on its income provided this is fully applied to the furtherance of its objects.

4 Analysis of Expenditure 2020/21

	Note	Generating Funds £	Residential activity centres £	Residential & non-residential programmes £	Clubs and study centres £	Support Costs £	2021 Total £
Staff costs	6a	-	381,733	97,308	71,776	161,349	712,166
Depreciation	9	34,531	231,145	38,253	180,406	-	484,335
Interest paid	5	132,397	-	35,691	-	3,382	171,470
Catering		-	165,722	26,527	55,935	-	248,184
Light & heat		5,788	117,491	30,592	29,940	-	183,811
Rent & rates		-	2,316	4,504	7,372	-	14,192
Maintenance		204,777	84,792	8,675	22,307	11,790	332,341
Replacements		-	2,242	12,215	4,997	-	19,454
Other costs		24,403	309,578	94,719	52,029	37,408	518,137
Audit		-	-	-	-	35,414	35,414
Support Costs allocated pro rata on other expenditures.		40,568	130,722	35,177	42,876	(249,343)	-
		<u>442,464</u>	<u>1,425,741</u>	<u>383,661</u>	<u>467,638</u>	-	<u>2,719,504</u>
Charitable Grants	18						96,297
Total 2021							<u>2,815,801</u>

Analysis of Expenditure 2019/20

	Note	Generating Funds (restated) £	Residential activity centres (restated) £	Residential & non-residential programmes (restated) £	Clubs and study centres (restated) £	Support Costs (restated) £	2020 Total £
Staff costs	6a	-	319,134	72,133	63,232	159,127	613,626
Depreciation	9	-	216,353	65,668	101,171	34,583	417,775
Interest paid	5	137,119	-	42,804	-	3,322	183,245
Catering		-	131,302	36,973	60,595	-	228,870
Light & heat		-	117,574	33,322	34,573	-	185,469
Rent & rates		-	5,341	10,112	14,456	-	29,909
Maintenance		356,742	78,061	48,657	24,722	-	508,182
Replacements		-	19,124	1,229	11,657	-	32,010
Other costs		-	333,531	9,704	40,835	207,758	591,828
Audit		-	-	-	-	38,352	38,352
Support Costs allocated pro rata on other expenditures.		91,718	226,652	59,541	65,231	(443,142)	-
		<u>585,579</u>	<u>1,447,072</u>	<u>380,143</u>	<u>416,472</u>	-	<u>2,829,266</u>
Charitable Grants	18						-
Impairment loss on programme related investment properties	10	-					1,000,000
Total 2020							<u>3,829,266</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

5 Mortgage and loan interest		2021	2020
		£	£
Interest on mortgages and bank loans		171,470	183,245

6a Staff Costs		2021	2020
		£	£
Wages and salaries		652,301	561,147
Social security costs		44,878	38,850
Employer's pensions contribution		14,987	13,629
		712,166	613,626

The average weekly number of employees during the year was as follows:

	2021	2020
	Actuals	Actuals
Charitable work: activities and operational domestic/catering	9 37	5 32
Management and administration	2	1
	48	38

No employee earned £60,000 per annum or more (2020 nil).

6b Governance Structure and Key Management Personnel

The Association considers its key management personnel to be its Trustees. As set out in Note 7, their total employment benefits including employer pension contributions were £nil (2020: £nil). The Trustees delegate the day-to-day running of NEA to an Executive Committee of Trustees including the Chairman. They are in frequent contact and must refer major and strategic decisions to meetings of all the Trustees. There is no chief executive, the two members of "headquarters" staff reporting to the Executive Committee. Each of the Association's centres has a Management Committee - formed of volunteers or employed staff as appropriate to the centre - with authority to run the activities in and from that centre in accordance with plans and budgets agreed with the Executive Committee.

7 Emoluments of Trustees

No Trustee received any remuneration for his services during the year (2020 - £nil). During the year 2020/21 NEA paid the travel costs of three Trustees amounting to £988 (2020 - two Trustees £2,679).

8 Retained Surplus Attributable to Parent Company

The retained deficit (after charging depreciation, audit fees split parent and group, and loss on sale of fixed assets and before unrealised gains/losses on investments and exchange differences) dealt with in the accounts of the parent company was £596,346 (2020 - £610,868). The company is exempt from publication of its own profit and loss account under Section 480 of the Companies Act 2006.

8a Net income

Net income is shown after charging:

Group		2021	2020
		£	£
Depreciation		484,335	417,775
Auditor's remuneration - audit services		35,414	32,608
Auditor's remuneration - other		-	5,745
Impairment of programme related investments		-	1,000,000
Loss on sale of fixed assets		-	1
		-	1

9 Tangible Fixed Assets

	Land and Buildings £	Furniture and Fittings £	Motor Vehicles £	Total £
Group				
Cost or valuation:				
At 1st October 2020 (restated)	34,160,385	66,919	135,217	34,362,521
Additions during the year	189,797	-	29,325	219,122
Disposals	-	-	-	-
At 30th September 2021	34,350,182	66,919	164,542	34,581,643
Depreciation				
At 1st October 2020 (restated)	6,613,579	55,817	66,261	6,735,657
Charge for the year	444,546	7,211	32,578	484,335
Depreciation on disposal	-	-	-	-
At 30th September 2021	7,058,125	63,028	98,839	7,219,992
Net Book Value				
At 30th September 2021	27,292,057	3,891	65,703	27,361,651
At 30th September 2020 (restated)	27,546,806	11,102	68,956	27,626,864

The restatements relating to the previous years' fixed assets are in relation to items being reclassified whilst maintaining the same total net book value

Netherhall Educational Association - Year to 30th September 2021

Notes to the Financial Statements (continued)

9 Tangible Fixed Assets (continued)

Company	Land and Buildings £	Furniture and Fittings £	Motor Vehicles £	Total £
Cost or valuation:				
At 1st October 2020 (restated)	24,763,070	66,919	135,217	24,965,206
Additions during the year	189,797	-	29,325	219,122
Disposals	-	-	-	-
At 30th September 2021	<u>24,952,867</u>	<u>66,919</u>	<u>164,542</u>	<u>25,184,328</u>
Depreciation				
At 1st October 2020 (restated)	4,431,610	55,806	66,261	4,553,677
Charge for the year	345,067	7,211	32,578	384,856
Depreciation on disposal	-	-	-	-
At 30th September 2021	<u>4,776,677</u>	<u>63,017</u>	<u>98,839</u>	<u>4,938,533</u>
Net Book Value				
At 30th September 2021	<u>20,176,190</u>	<u>3,902</u>	<u>65,703</u>	<u>20,245,795</u>
At 30th September 2020 (restated)	<u>20,331,460</u>	<u>11,113</u>	<u>68,956</u>	<u>20,411,529</u>

The restatements relating to the previous years' fixed assets are in relation to items being reclassified whilst maintaining the same total net book value.

The details of fixed assets are as follows - these revaluations have been taken as deemed costs following the transition to FRS102:

	Group		Company	
	2021	2020 (restated)	2021	2020 (restated)
<i>Land and buildings</i>	£	£	£	£
At cost	24,770,248	18,467,823	24,771,774	18,469,349
Transfers to Programme Related Property Investments	(6,112,628)	(6,112,628)	(6,112,628)	(6,112,628)
At Trustees' valuation - 2018	667,562	667,562	667,562	667,562
At professional valuation - 1996	11,000,000	11,000,000	1,601,159	1,601,159
At professional valuation - 1993	4,025,000	4,025,000	4,025,000	4,025,000
	<u>34,350,182</u>	<u>34,160,385</u>	<u>24,952,867</u>	<u>24,763,070</u>

Included in freehold property is Netherhall House, part of which has been leased to Netherhall Residences plc and New Netherhall Residences plc.

Included in land and buildings is an amount of £1,472,495 (2020 restated - £1,346,282) in respect of modification and refurbishment pr

A number of charges are in existence over the individual properties held by the organisation, as described in Note 15.

The net book value of land and buildings comprises:

	Group		Company	
	2021	2020 (restated)	2021	2020 (restated)
	£	£	£	£
Freehold	26,596,493	26,831,936	19,480,626	19,616,590
Long leasehold	695,564	714,870	695,564	714,870
	<u>27,292,057</u>	<u>27,546,806</u>	<u>20,176,190</u>	<u>20,331,460</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

10 Fixed Asset Investments

	Group		Company	
	2021	2020	2021	2020
At 30th September, fixed asset investments comprised the following	£	£	£	£
Investment Properties	5,390,000	5,385,000	5,390,000	5,385,000
Listed investments at market value	65,994	46,540	65,994	46,540
Investments in subsidiary undertakings	-	-	7,956,957	8,114,074
	<u>5,455,994</u>	<u>5,431,540</u>	<u>13,412,951</u>	<u>13,545,614</u>

Programme Related Property Investments

	Group and Company	
	2021	2020
	£	£
B/fwd	9,423,236	-
Transfer at 1 October 2019 from fixed assets/investment properties	-	10,305,912
Additions	41,037	117,324
Impairment on Orme Court property	-	(1,000,000)
C/fwd	<u>9,464,273</u>	<u>9,423,236</u>

The Programme Related Property Investments comprise 2 and 3 Orme Court, London W2 and The Cedars School in Croydon, Surrey.

In 2001 and 2003, NEA purchased 3 and 2 Orme Court with the intention of transferring ownership of these properties at a future date to Dawcliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. The properties were purchased with a £1,000,000 loan taken out by NEA and secured against one property, and £5,099,874 from the other charity. The bank loan has been repaid using income from renting the properties.

In 2017 the Trustees decided to enter into a sale and leaseback with PACT Educational Trust for purchase of 'The Cedars', a secondary day school. They considered this a programme related investment in furtherance with NEA's charitable objectives. The purchase was funded by a bank loan secured on the property. In April 2022 the school was re-purchased by PACT and NEA paid off the bank loan.

Investment Properties

	Group and Company	
	2021	2020
	£	£
B/fwd	5,385,000	10,518,275
Transfer at 1 October 2019 to programme related investments	-	(4,257,578)
Additions	5,000	5,000
Disposals	-	-
Revaluation in line with open market valuations for adjoining properties.	-	(880,697)
C/fwd	<u>5,390,000</u>	<u>5,385,000</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

10 Fixed Asset Investments (continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Company		Holding	Proportion of Voting Rights and shares held	Nature of Business
<i>Subsidiary undertakings</i>				
Netherhall Residences plc	Company Number: 2845358	Ordinary shares	100%	Property Rental
New Netherhall Residences plc	Company Number: 2845287	Ordinary shares	100%	Property Rental
Netherhall International College Limited	Company Number: 3023523	Ordinary shares	100%	Education

Netherhall Residences plc and New Netherhall Residences plc provide rental accommodation for students.

The business of Netherhall International College Limited is English language courses during the summer at Netherhall House. Due to Covid-19 restrictions, no courses were held during the summers of 2021 and 2020. The Company is dormant.

All of the group subsidiaries are incorporated in England and registered in England and Wales.

Results of Subsidiaries for the Year to 30th September 2021

	Netherhall Residences plc £	New Netherhall Residences plc £	Netherhall International College Limited £	Total £
Turnover	99,298	172,562	-	271,860
Cost of Sales	<u>(182,136)</u>	<u>(183,998)</u>	-	<u>(366,134)</u>
Administrative expenses	(82,838)	(11,436)	-	(94,274)
Other operating income	(54,479)	(55,292)	-	(109,771)
Profit/(Loss) on ordinary activities before taxation	<u>-</u>	<u>-</u>	-	<u>-</u>
Taxation	(137,317)	(66,728)	-	(204,045)
Retained Profit/(Loss) for year to 30th September 2021	<u>-</u>	<u>-</u>	-	<u>-</u>
Retained Profit/(Loss) for year to 30th September 2020 (restated)	<u>(137,317)</u>	<u>(66,728)</u>	-	<u>(204,045)</u>
Retained Profit/(Loss) for year to 30th September 2020 (restated)	<u>(30,947)</u>	<u>11,129</u>	-	<u>(19,817)</u>
Assets	3,730,557	4,235,837	2,705	7,969,100
Liabilities	<u>(4,530)</u>	<u>(7,613)</u>	-	<u>(12,143)</u>
Net Assets/Shareholder Funds 30th September 2021	<u>3,726,027</u>	<u>4,228,224</u>	<u>2,705</u>	<u>7,956,957</u>
Net Assets/Shareholder Funds 30th September 2020 (restated)	<u>3,840,130</u>	<u>4,271,238</u>	<u>2,705</u>	<u>8,114,074</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

11 Debtors and Prepayments	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Tax recoverable	167,751	142,123	167,751	142,123
Other debtors	196,317	170,496	196,317	170,496
Accruals and prepayments	20,406	-	20,406	-
	<u>384,474</u>	<u>312,619</u>	<u>384,474</u>	<u>312,619</u>
12 Cash at bank and in hand	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Restricted	44,713	101,716	44,713	101,716
Unrestricted	753,414	853,481	719,819	819,817
	<u>798,127</u>	<u>955,197</u>	<u>764,532</u>	<u>921,533</u>
13 Creditors: Amounts falling due within one year	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Secured mortgage loans (Note 15)	454,514	374,155	454,514	374,155
Other unsecured loans (Note 16)	1,687,010	1,830,571	1,687,010	1,830,571
Other taxes and social security	15,093	16,399	15,093	16,399
Other creditors	53,376	97,154	53,376	91,716
Accruals and deferred income	191,207	290,258	179,065	270,750
Amounts owed to subsidiaries	-	-	819,647	890,019
	<u>2,401,200</u>	<u>2,608,537</u>	<u>3,208,705</u>	<u>3,473,610</u>

There is a bank overdraft facility available to NEA that is secured by a floating charge over certain of the group's assets.

Deferred Rental Income

	Group and Company	
	2021	2020
	£	£
Balance as at 1st October 2020	38,693	131,828
Released during the year	(38,693)	(131,828)
Deferred during the year	38,693	38,693
Balance carried forward at 30th September 2021	<u>38,693</u>	<u>38,693</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

14 Creditors: Amounts falling due after more than one year	2021	Group and Company		2020
	£	2021	2020 (Restated)	£
Secured mortgage loans (see Note 15)				
- repayable after more than one year but within five years	1,860,122		1,898,648	
- repayable after more than five years	<u>8,721,496</u>		<u>9,085,451</u>	
		10,581,618		10,984,099
Unsecured loans (see Note 16)				
- repayable after more than one year but within five years	306,639		321,478	
- repayable after more than five years	<u>-</u>		<u>87,251</u>	
		<u>306,639</u>		<u>408,729</u>
		<u>10,888,257</u>		<u>11,392,828</u>

The long term secured loans included £5,099,874 previously disclosed separately and relates to loans on programme related investments (see note 10)

15 Secured Loans

All secured loans are secured on the freehold property of both the tangible assets and programme related property investments. Interest is payable at both fixed and variable rates which, as at 30th September 2021, ranged between 1.86% to 4.0% above bank base-rate.

Secured loans due after more than one year are repayable by instalments until they are fully paid off in 2042.

	Group and Company	
	2021	2020
Amounts falling due:	£	£
in one year or less on demand	454,514	374,155
in more than one year but not more than two years	466,036	473,861
in more than two years but not more than five years	1,394,086	1,424,787
in more than five years	<u>8,721,496</u>	<u>9,085,451</u>
	11,036,132	11,358,254
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(454,514)</u>	<u>(374,155)</u>
	<u>10,581,618</u>	<u>10,984,099</u>

16 Unsecured Loans

	Group and Company	
	2021	2020
Amounts falling due:	£	£
in one year or less on demand	1,687,010	1,830,571
after one year but within five years	306,639	321,478
in more than five years	<u>-</u>	<u>87,251</u>
	1,993,649	2,239,300
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(1,687,010)</u>	<u>(1,830,571)</u>
	<u>306,639</u>	<u>408,729</u>

17 Taxation

As a charity NEA is exempt from both income and corporation tax as set out in Section 505 of the Income and Corporation Taxes Act 1988.

Group relief, where available, has been applied between subsidiary organisations details of which can be found on individual financial statements.

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

18 Analysis of Designated and Restricted Resources 2020/2021

	Opening Balance 1st Oct 20	Donation incl <i>GiftAid</i>	Income Credited	Payments	Transfers	Closing Balance 30th Sep 21
	£	£	£	£	£	£
Designated Funds						
Jeremy White Memorial Fellowship Fund	528,192	-	5,282	-	-	533,474
Michael Richards Memorial Fund	10,100	-	101	-	-	10,201
						-
Fixed Assets						
Net Book Value	42,435,100	-	-	-	(219,176)	42,215,924
less Outstanding debt	(12,547,723)	-	-	-	499,042	(12,048,681)
TOTAL DESIGNATED	30,425,669	-	5,383	-	279,866	30,710,918
Restricted Funds						
Jeremy White Memorial Bursary Fund	9,080	-	91	-	-	9,171
International Projects						
KDT - Ugwuoma Study Centre, Nigeria	57,669	-	-	(57,643)	(26)	-
Pontifical University of the Holy Cross	-	5,000	-	(5,000)	-	-
Fundacion Cardenas Rosales	-	33,979	-	(33,654)	-	325
Saxum Project, Jerusalem	34,967	250	-	-	-	35,217
TOTAL RESTRICTED	101,716	39,229	91	(96,297)	(26)	44,713

The two Jeremy White Memorial Funds and the Michael Richards Memorial Fund were established to support the activities of NEA related to students. The International Projects are educational and social projects outside Great Britain whose aims are consonant with those of NEA. The Ugwuoma Study Centre provides study and personal development opportunities of the type NEA provides at Kelston, Westpark and Dunreath. The Fundacion Cardenas Rosales supports similar projects. Grants sent to the Pontifical University of the Holy Cross, Rome, are for scholarships and support for international students at these university level institutions. The Saxum Project involves the construction of a conference centre outside Jerusalem akin to Wickenden Manor, which provides social development opportunities particularly for local women. The total grants made by NEA during the year to 30 September 2021 amounted to £96,927 (2020: nil) as detailed above.

Analysis of Designated and Restricted Resources 2019/20

	Opening Balance 1st Oct 19	Donation incl <i>GiftAid</i>	Income Credited	Revaluation/ Impairment	Transfers	Closing Balance 30th Sep 20
	£	£	£	£	£	£
Designated Funds						
Jeremy White Memorial Fellowship Fund	522,962	-	5,230	-	-	528,192
Michael Richards Memorial Fund	10,000	-	100	-	-	10,100
Fixed Assets						
Net Book Value	43,743,382	-	-	(1,880,697)	572,415	42,435,100
less Outstanding debt	(12,623,625)	-	-	-	75,902	(12,547,723)
TOTAL DESIGNATED	31,652,719	-	5,330	(1,880,697)	648,317	30,425,669
Restricted Funds						
Jeremy White Memorial Bursary Fund	8,990	-	90	-	-	9,080
International Projects						
KDT - Ugwuoma Study Centre, Nigeria	57,669	-	-	-	-	57,669
Pontifical University of the Holy Cross	(1,672)	-	-	-	1,672	-
Saxum Project, Jerusalem	33,827	1,140	-	-	-	34,967
TOTAL RESTRICTED	98,814	1,140	90	-	1,672	101,716

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

19 Movement on Reserves 2020/2021

Group	At 1st October 2020	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Investment Properties Revaluations	Transfers in Year	At 30th September 2021
	£	£	£	£	£	£	£
Unrestricted:							
General	(779,294)	3,178,615	(2,719,504)	19,454	-	(279,840)	(580,569)
Designated:	30,425,669	5,383	-	-	-	279,866	30,710,918
Restricted:	101,716	39,320	(96,297)	-	-	(26)	44,713
	<u>29,748,091</u>	<u>3,223,318</u>	<u>(2,815,801)</u>	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>30,175,062</u>

Company	At 1st October 2020 (Restated)	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Investment Properties Revaluations	Transfers in Year	At 30th September 2021
	£	£	£	£	£	£	£
Unrestricted:							
General	(779,293)	2,906,754	(2,258,814)	19,454	-	(279,840)	(391,738)
Designated:	30,425,669	5,383	-	-	-	279,866	30,710,918
Restricted:	101,716	39,320	(96,297)	-	-	(26)	44,713
	<u>29,748,092</u>	<u>2,951,457</u>	<u>(2,355,111)</u>	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>30,363,893</u>

Movement on Reserves 2019/20

Group	At 1st October 2019	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Investment Properties Revaluations	Transfers in Year	At 30th September 2020
	£	£	£	£	£	£	£
Unrestricted:							
General	(415,118)	3,145,092	(2,829,266)	(30,013)	-	(649,989)	(779,294)
Designated:	31,652,719	5,330	(1,000,000)	-	(880,697)	648,317	30,425,669
Restricted:	98,814	1,230	-	-	-	1,672	101,716
	<u>31,336,415</u>	<u>3,151,652</u>	<u>(3,829,266)</u>	<u>(30,013)</u>	<u>(880,697)</u>	<u>-</u>	<u>29,748,091</u>

Company	At 1st October 2019	Income	Expenditure	Investment (Loss)/Gain (unrealised)	Investment Properties (Loss)/Gain	Transfers in Year	At 30th September 2020
	£	£	£	£	£	£	£
Unrestricted:							
General	(415,118)	2,660,016	(2,344,189)	(30,013)	-	(649,989)	(779,293)
Designated:	31,652,719	5,330	(1,000,000)	-	(880,697)	648,317	30,425,669
Restricted:	98,814	1,230	-	-	-	1,672	101,716
	<u>31,336,415</u>	<u>2,666,576</u>	<u>(3,344,189)</u>	<u>(30,013)</u>	<u>(880,697)</u>	<u>-</u>	<u>29,748,092</u>

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

20 Analysis of Assets between Funds as at 30th September 2021

Group	Fixed Assets £	Current Assets £	Creditors:		Total £
			Amounts falling due within 1 year £	Amounts falling due after 1 year £	
Unrestricted:					
General	-	1,137,888	(1,718,457)	-	(580,569)
Designated (see Note 18)	42,281,918	-	(682,743)	(10,888,257)	30,710,918
Restricted:	-	44,713	-	-	44,713
	<u>42,281,918</u>	<u>1,182,601</u>	<u>(2,401,200)</u>	<u>(10,888,257)</u>	<u>30,175,062</u>

Analysis of Assets between Funds as at 30th September 2020

Group	Fixed Assets £	Current Assets £	Creditors:		Total £
			Amounts falling due within 1 year £	Amounts falling due after 1 year £	
Unrestricted:					
General	-	1,166,100	(1,945,394)	-	(779,294)
Designated (see Note 18)	42,481,640	-	(663,143)	(11,392,828)	30,425,669
Restricted:	-	101,716	-	-	101,716
	<u>42,481,640</u>	<u>1,267,816</u>	<u>(2,608,537)</u>	<u>(11,392,828)</u>	<u>29,748,091</u>

21 Related Party Transactions

Mr X Bosch is a trustee of the Opus Dei Charitable Trust which paid £41,000 (2020 - £62,700) to NEA towards the expenses of running 4-6 Orme Court. Mr Bosch and Mr J Valero are trustees of the Greycarth Association which at 30th September 2021 had made an unsecured loan of £119,294 with NEA; the movements since the 30 September 2020 balance of £193,366 being a net repayment of £60,000 and a recharge of insurance premiums incurred on behalf of the lender.

Mr Bosch and Mr J Valero (until November 2020 and from September 2020 respectively) were directors of PACT Educational Trust who run The Cedars School. The school building and site was purchased by NEA in December 2018 and PACT Educational Trust leased it back for £20,000 per month under a 25 year lease. The aims of PACT Educational Trust are in line with the aims of NEA in that both organisations emphasise character formation in education based on training in the virtues. As explained in Note 10 this property was re-purchased by PACT in April 2022.

Mr Bosch, Dr Curtis, Dr Hegarty, Mr Mirabal, and Mr Valero are members of the resident management teams of some of the centres of NEA. They are required to live in and receive free accommodation at the centre whose activities they help organise, on the same basis as other non-trustee members of those management teams.

Netherhall Educational Association - Year to 30th September 2021
Notes to the Financial Statements (continued)

22 Notes to the Statement of Cash Flows

(a) Reconciliation of net income for the year to net cash inflow from operating activities.

	2021	2020
	£	£
Net income for the year	426,971	(1,588,324)
Interest receivable	(1,928)	(2,276)
Interest payable	171,470	183,245
Realised gain on investments	-	880,697
Unrealised gain/(loss) on investments	(19,454)	30,013
Depreciation	484,335	417,775
Impairment of asset	-	1,000,000
Loss on disposal of fixed assets	(2)	1
Decrease/(increase) in debtors and prepayments	(71,855)	(157,053)
(Decrease)/increase in creditors and accruals	<u>(144,135)</u>	<u>(141,549)</u>
Net cash inflow from operating activities	<u>845,402</u>	<u>622,529</u>

(b) Analysis of changes in net debt.

	At 1st October 2020	Cash Flow	At 30th September 2021
	£	£	£
Cash at bank and in hand	<u>955,198</u>	<u>(157,071)</u>	<u>798,127</u>
	955,198	(157,071)	798,127
Debt due within one year	(2,204,726)	63,202	(2,141,524)
Debt due after one year	<u>(11,392,828)</u>	<u>504,571</u>	<u>(10,888,257)</u>
Net debt	<u>(12,642,356)</u>	<u>410,702</u>	<u>(12,231,654)</u>

23 Operating lease commitments and Post Balance Sheet events.

At the reporting end date NEA had contracted - with minimum lease payments as shown, with the following:

	2021	2020
	£	£
<u>Cognita Limited for Sounthbank School at 16 Netherhall Gardens, London NW3</u>		
Within one year	320,000	320,000
Between two and five years	1,280,000	960,000
In over 5 years	1,253,333	1,893,333
Total	<u>2,853,333</u>	<u>3,173,333</u>
<u>with PACT Educational Trust Limited for The Cedars School, Croydon.</u>		
Within one year	240,000	240,000
Between two and five years	960,000	960,000
In over 5 years	3,900,000	4,140,000
Total	<u>5,100,000</u>	<u>5,340,000</u>
Total	<u>7,953,333</u>	<u>8,513,333</u>

As explained in the Investment Policy on page 5, NEA disposed of the buildings used by The Cedars in April 2022.

As explained in the Review of Subsidiaries on page 5 Netherhall Residences plc and New Netherhall Residences plc were at the date of signing these accounts in liquidation having surrendered to NEA their leases on parts of Netherhall House in May 2022

The restatements relating to the previous years' fixed assets are in relation to items being reclassified whilst maintaining the same total net book value.

NETHERHALL EDUCATIONAL ASSOCIATION

England & Wales - Charity number 236586

Accounts

NETHERHALL EDUCATIONAL ASSOCIATION

(Limited by Guarantee)

Company No. 793583

**Registered as a charity in England and Wales (No. 236586)
and in Scotland (No. SC039209)**

TRUSTEES' REPORT

AND

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 2020

Netherhall Educational Association
(Limited by Guarantee)
Company Information

Trustees

X. Bosch, BA, FCA (chairman)
C.G. Cobb, BA (to 16 March 2020)
A.J. Curtis, MA, PhD
A.J. Hegarty, MA, DPhil
J.M. Mirabal, MA, FCMA
E.A.V Thompson (from 16 March 2020)
A. Tucker
J. Valero, MSc, DIC

Secretary

J.P. Covenden, BA, LL.B

Auditors

Price Bailey LLP
3rd Floor, 24 Old Bond St
Mayfair
London
W1S 4AP

Bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EZ

Solicitors

Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Registered Office

18a Netherhall Gardens
London
NW3 5TH

Netherhall Educational Association (Limited by Guarantee) Trustees' Annual Report

The Trustees, who are the company directors of Netherhall Educational Association (NEA), submit their Annual Report together with the Accounts and Auditors' report for the year ended 30th September 2020. The Trustees during the year ended 30th September 2020 were those listed on page 1. The Trustees remained unchanged at the date the accounts were signed.

Netherhall Educational Association is a company limited by guarantee (No. 793583), its governing document being the Memorandum and Articles of Association last amended on 16th March 2008. It is a registered charity in England & Wales (No. 236586) and in Scotland (No. SC039209). The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

The Trustees form the Council of NEA, which has power to appoint new Trustees who serve until such time as they resign or are required to withdraw as stipulated by the Council. New Trustees are recruited from among NEA's volunteers and supporters, with a view to achieving a balance of skills and talents. They are provided with Charity Commission guidance on the roles and responsibilities of charity trustees, and they also receive informal training designed to supplement the knowledge and training they have already received from participation in the activities of NEA. Note 6b of the financial statements explains the structure of governance and management within the Charity.

Objects and Activities

The objects of NEA are the advancement of education and learning and the training of character in accordance with Christian principles and ideals.

To achieve this, NEA aims to provide all-round formation for people of all ages, especially the young, to help them develop their talents to the full and use them in the service of society.

This personal development is seen as a harmonious union of all the following components:

- *academic and professional development* which enables men and women to do their work well, and to be more aware that study and work are principal means both of personal growth and of serving others;
- *social development* which promotes understanding and empathy with others regardless of background, race or creed, and fosters friendships and co-operation across cultural divides;
- *character development* which is founded on human virtues such as sincerity, loyalty, self-discipline, service to others and a spirit of hard work, with a deep appreciation of personal freedom and the corresponding responsibility; and
- *spiritual development* which allows men and women to find God in their family and working lives and to practise Christian principles and ideals.

Activities and Public benefit

To achieve the aims set out above, NEA

- owns and operates a variety of centres in Great Britain, including halls of residence for students in higher education, clubs with study facilities for young people, vocational training centres, and venues for residential courses and seminars;
- supports a number of educational and social projects outside Great Britain whose aims are consonant with its own.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011 they have due regard to public benefit guidance published by the Charity Commission. They confirm that the all-round formation imparted in and from the centres of NEA is for the benefit of the public in general.

All the activities – including those of religious formation, which are entrusted to Opus Dei, a personal prelature of the Catholic Church – are open to all who wish to participate, regardless of race, creed, or social background.

Outreach in the form of the promotion of formational activities outside NEA's centres means that participation is available to many more people than those who live in the residential centres or attend the clubs regularly.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report (continued)

Strategic Report

Achievements and Performance

In order to assess how successful it has been each year in meeting its aims, NEA has established a number of measures for its rolling plan which is updated each year. Performance against the targets which were approved for 2019/20 is described under the four headings shown in the Review of Performance.

Plans for Future Periods

Since the end of 2019/20 and during the preparation of this Report, the effects of the Covid-19 pandemic have been felt. Control measures have resulted in the need to close the doors of the halls of residence and conference centre, with resulting loss of income.

However, the Trustees take the view that, as the disruption will inevitably come to an end, at this point there is no reason to believe that, with suitable cash-flow management, the loss of income will threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily in the delivery of charitable objectives as well as advising and supporting the Trustees in governance and management. They are aware that the charity has gone forward with the help of generous individuals – often of modest circumstances – rather than the general cash-strapped public.

NEA will later in 2021 be re-considering its strategic plans in the light of performance in 2019/2020.

Review of Performance

The Activities of the Centres

Target: in each centre a programme of activities for the benefit of the charity's beneficiaries.

The effect of the hygiene restrictions imposed by HM Government in response to the Covid-19 pandemic came into effect halfway through the financial year 2019/20. This resulted in both Netherhall House and Wickenden Manor closing their doors for the final term of the academic year, with only a small number of residents who had chosen to self-isolate remaining there. The much smaller Grandpont House remained full of mostly graduate students who were able to continue their research. At Orme Court the refurbishment works which had started continued with suitable safety measures.

All the centres were remained closed to those who usually attended activities there. However, an extensive programme of activities was conducted on-line for both previous attenders and a considerable number of new contacts.

Target: each centre to work within its headline (break-even) budget carrying out prudent measures for the upkeep of the fabric and equipment.

There was close liaison between the Executive Committee of trustees and the management committees of the centres, identifying the extent to which operational savings and additional funding streams could be found. Where centres would not be able to meet their budgeting break-even, subsidies from reserves were made. Extensive planning was carried out over the summer of 2020 to how to maximise occupancy of the halls of residence and the conference centre as restrictions might change in 2020/21.

The opportunity was taken to undertake whatever routine maintenance work proved possible, and the refurbishment project at Orme Court continued towards completion.

Support for International Projects

Target: obtain funding to provide support for selected projects consonant with NEA's objectives.

During 2019/2020, NEA received donations, including associated *GiftAid*, of £1,230 representing regular payments for the *Saxum* Project which is now completed. NEA will be finalising a final grant during 2021. No applications from other projects were received during the year and the Trustees intend to award a grant of £57,600 to the KDT - Ugwuoma Study Centre, Enugu, Nigeria out of funds received in previous years.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report (continued)

Financial Review

Financing

As explained above NEA had to close the doors of the halls of residence and conference centre, with resulting loss of income. This should be borne in mind as regards the following previously established targets.

Target: raising of donations that will enable the repayment of the loans by which NEA has financed the acquisition of its premises and major refurbishments.

During the year regular donations from supporters of £1,170,960.52 compared to £1,284,313 the previous year. Although the economic effect of the pandemic is felt throughout the population, the Trustees believe there is a wide base of supporters who contribute to the funds of NEA as well as working voluntarily in the delivery of charitable objectives. They expect the charity will be able to go forward with the help of generous individuals – often of modest circumstances – rather than the general cash-strapped public. One-off donations of £78,000 compared to £218,100 the previous year

Target: the administration of other income streams which enable capital repayments to be made.

Income from Charitable Activities was £644,699 in 2019/20 compared to £1,056,525 the previous year, due in part to reduced occupancy in one of the halls of residence. Overall, NEA was able to add £292,373 to its reserves, before investment gains. The Trustees regard this as a satisfactory position as regards commitments to capital repayments.

The administrative costs of running the charity continue to be very low, due to our broad base of skilled volunteers who carry out much of the work for each of the centres and for the running of the charity as a whole: Note 6 to the Accounts reflects the fact that only one of the nine centres has paid administrative staff and the head office functions with only two paid employees.

Development of existing and new centres

Target: the development of existing and new centres with funding arranged and repayment plans in place.

In April 2019 the works at 'Edenbrook', NEA's new study centre in Beckenham, were sufficiently advanced for NEA to begin to occupy and use the premises. Activities of professional and family formation began with the assistance of NEA supporters in the area, began during 2016/17 and progressed over subsequent years. Work continued to prepare the planning application for the extension and refurbishment of Grandpont House in Oxford. Short-term tenancies were also arranged at the small property in Cambridge to contribute towards mortgage repayments.

Risk Management

The Trustees are aware that NEA's activities depend for their continuance on voluntary income from regular and one-off donations. By the nature of NEA and its work, these donations proceed in the main from long-term supporters committed to on-going help for the activities carried out from the centres which they are funding. The Trustees make extensive efforts, personally and through others, to maintain a continual relationship with these supporters and to increase their number.

The Trustees have furthermore undertaken an assessment of the risks, both operational and financial, to which NEA is exposed. They believe they have procedures in place to manage and reduce risks:

- to human life and welfare, by the adoption of health & safety policies and training;
- to young or vulnerable people, by having in place suitable policies and procedures;
- to incoming resources from rental income, by suitable insurance;
- to operational and investment tangible assets, by appropriate maintenance and insurance; and
- to charity resources, by appropriate control procedures.

The Trustees believe they are thereby addressing the main risks to the continuance of NEA and its activities and taking measures consistent with the nature of the Charity and its resources. Future risk assessments will naturally take into account the effects of the Covid-19 pandemic.

Netherhall Educational Association
(Limited by Guarantee)
Trustees' Annual Report (continued)

Review of Subsidiaries

The principal activity of Netherhall Residences plc and New Netherhall Residences plc is the provision of the rented accommodation aspect of the hall of residence at Netherhall House. Their separate financial statements are summarised in Note 10. The final pre-tax positions of losses of £54,161 and £12,585 respectively are considered satisfactory when seen in the light of the overall operation of Netherhall House. The Trustees continue to review the possible tax implications if these two companies were not to continue. Over the next twelve months the leases held by these two subsidiaries will be surrendered and these companies closed.

Netherhall International College provides short courses in English during the summer vacation at Netherhall House. Due to Covid restrictions no courses were held in 2020, and the Company was dormant.

Investment Policy

During 2011/12, NEA was gifted UK and overseas equities with a market value at the time of acceptance of £71,348. At that time the Trustees decided to retain these holdings in the expectation of annual income and capital growth. They review this decision regularly.

In 2017, NEA purchased The Cedars, a secondary day school in Croydon, Surrey. It is leased to PACT Educational Trust Ltd, the previous owners who continue to operate the school. The Trustees consider this to be a strategic investment as PACT shares very similar aims and objectives to those of NEA. The financial operation of the school is such that the rental charged is at least sufficient to cover the repayments on the bank loan which NEA took out to purchase the school.

NEA also holds as investments buildings which it has acquired on sites adjacent to its operational properties. The rental income from these properties have helped service the mortgage or other loans with which the properties were purchased. In the longer term these properties may become premises from which NEA will carry out its charitable activities.

Reserves Policy

Total reserves at 30th September 2020 amounted to £29,748,091 of which £101,716 were restricted. The Trustees have designated £538,292 for two named memorial funds generally in support of students, and £30,425,669 representing the net book value of NEA's operational and investment properties less associated outstanding borrowings. At 30th September 2020 free unrestricted funds showed a deficit of £779,294 (2019 £415,118 deficit). Thus, NEA has no free unrestricted funds at the end of 2019/20, due primarily to having to severely reduced numbers in the halls of residence and conference centre and the purchase of significant fixed assets the previous year. NEA's ongoing policy is to work towards a situation where year-on-year surpluses can be added to the free reserves to support both NEA's on-going operations and its commitments in respect of its fixed assets. This policy will be reviewed annually.

As explained in Note 2 to the Financial Statements the Trustees take the view that the NEA is a going concern. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity and therefore continues to adopt the going concern basis in preparing its financial statements.

(Limited by Guarantee)
Trustees' Annual Report (continued)

Statement on Fundraising

NEA obtains its voluntary income predominantly from its supporters and those who participate in its activities. It does not make appeals to the general public. The Trustees consider that they do not need to seek membership of a fundraising regulator or make other arrangements regarding complaints or the protection of vulnerable people in this area. Thus they are satisfied that they comply as applicable with the requirements of The Charities (Protection and Social Investment) Act 2016.

Statement of Trustees' Responsibilities

Auditors

Price Bailey LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Netherhall Educational Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgments 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: 30/7/2021

By Order of the Council



X Bosch
Trustee

Independent Auditor's Report to the Trustees and Members of Netherhall Educational Association

Opinion

We have audited the financial statements of Netherhall Educational Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise of the Group statement of Financial Activities, the Group and Parent charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 September 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
3rd Floor, 24 Old Bond St, Mayfair, London W1S 4AP

Date 1 August 2021

Consolidated Statement of Financial Activities including Income and Expenditure Account


	Note	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 (Restated) £
INCOME						
Charitable activities	3	644,699	-	-	644,699	1,056,525
Donations and legacies						
Regular donations	3	1,170,960	-	-	1,170,960	1,284,313
One-off donations and bequests	3/18	76,860	-	1,140	78,000	218,100
Investment income						
From investment properties		1,130,596	5,330	-	1,135,926	1,211,055
Interest and dividends		2,186	-	90	2,276	5,445
Other income		119,791	-	-	119,791	128,747
Total Income		<u>3,145,092</u>	<u>5,330</u>	<u>1,230</u>	<u>3,151,652</u>	<u>3,904,185</u>
EXPENDITURE						
Raising funds	4	422,407			422,407	446,386
Charitable activities						
Residential activity centres	4	1,453,898			1,453,898	1,549,237
Residential and non-residential programmes	4	328,932			328,932	361,257
Clubs and study centres	4	624,029			624,029	602,360
Grants	4/18	-			-	-
Programme related investment properties	10	-	1,000,000		1,000,000	-
Total Expenditure		<u>2,829,266</u>	<u>1,000,000</u>	<u>-</u>	<u>3,829,266</u>	<u>2,959,240</u>
Net gains/(losses) on investments						
Unrealised losses on investment properties.	10		(880,697)		(880,697)	108,246
Unrealised gains/(losses) on listed investments	10	(30,013)			(30,013)	(2,862)
Net Income/(Expenditure)	8a	<u>285,813</u>	<u>(1,875,367)</u>	<u>1,230</u>	<u>(1,588,324)</u>	<u>1,050,329</u>
Transfers between Funds	18	(649,989)	648,317	1,672	-	-
Net Movements in funds		<u>(364,176)</u>	<u>(1,227,050)</u>	<u>2,902</u>	<u>(1,588,324)</u>	<u>1,050,329</u>
Balance Brought Forward		(415,118)	31,652,719	98,814	31,336,415	30,286,086
Total Funds	19/20	<u>(779,294)</u>	<u>30,425,669</u>	<u>101,716</u>	<u>29,748,091</u>	<u>31,336,415</u>

There were no recognised gains or losses other than those shown above
All activities relate to continuing operations

Consolidated Balance Sheet at 30th September 2020

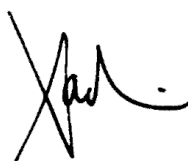
	Notes	2020	2020	2019	2019
		£	£	£	£
Fixed Assets					
Tangible assets	9		27,626,864		33,225,107
Programme related investments	10		9,423,236		-
Investments	10		<u>5,431,540</u>		<u>10,594,828</u>
			42,481,640		43,819,935
Current Assets					
Debtors and Prepayments	11	312,619		155,566	
Short-term Investments		-			
Cash at bank and in hand	12	<u>955,197</u>		<u>500,333</u>	
		1,267,816		655,899	
Creditors: Amounts falling due within one year	13	<u>(2,608,537)</u>		<u>(2,143,686)</u>	
Net Current Liabilities)			<u>(1,340,721)</u>		<u>(1,487,787)</u>
Total Assets less Current Liabilities			41,140,919		42,332,148
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		<u>(11,392,828)</u>		<u>(10,995,733)</u>
			<u>29,748,091</u>		<u>31,336,415</u>
Funds					
	19/20				
Unrestricted:					
General fund			(779,294)		(415,118)
Designated:					
Jeremy White Memorial Fellowship Fund		528,192		522,962	
Michael Richards Memorial Fund		10,100		10,000	
Properties		21,202,530		21,554,213	
Properties revaluation reserve		<u>8,684,847</u>		<u>9,565,544</u>	
			30,425,669		31,652,719
Restricted:					
Jeremy White Memorial Bursary Fund		9,080		8,990	
International Projects		<u>92,636</u>		<u>89,824</u>	
			101,716		98,814
			<u>29,748,091</u>		<u>31,336,415</u>

Approved and authorised by the Council on 30/7/2021



A Curtis
Trustee

X. Bosch
Trustee

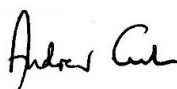


Balance Sheet at 30th September 2020

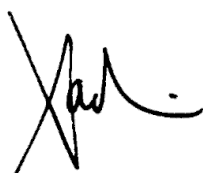
	Notes	2020	2020	2019	2019
		£	£	£	£
Fixed Assets					
Tangible assets	9		20,411,529		25,910,293
Programme related investments	10		9,423,236		-
Investments	10		<u>13,545,614</u>		<u>18,775,648</u>
			43,380,379		44,685,941
Current Assets					
Debtors	11	312,619		155,565	
Short term investments		-		-	
Cash at bank and in hand	12	<u>921,533</u>		<u>466,668</u>	
		1,234,152		622,233	
Creditors: Amounts falling due within one year	13	<u>(3,473,610)</u>		<u>(2,976,026)</u>	
Net Current Liabilities			<u>(2,239,458)</u>		<u>(2,353,793)</u>
Total Assets less Current Liabilities			41,140,921		42,332,148
Creditors: Amounts falling due after more than one year					
Mortgages and other loans	14		(11,392,829)		(10,995,733)
Net Assets			<u>29,748,092</u>		<u>31,336,415</u>
Funds					
	19/20				
Unrestricted:					
General			(779,293)		(415,118)
Designated:					
Jeremy White Memorial Fellowship Fund		528,192		522,962	
Michael Richards Memorial Fund		10,100		10,000	
Properties		21,202,530		21,554,213	
Properties revaluation reserve		<u>8,684,847</u>		9,565,544	
			30,425,669		31,652,719
Restricted:					
Jeremy White Memorial Bursary Fund		9,080		8,990	
International Projects		<u>92,636</u>		<u>89,824</u>	
			101,716		98,814
			<u>29,748,092</u>		<u>31,336,415</u>

Approved and authorised by the Council on 30/7/2021

A Curtis
Trustee



X. Bosch
Trustee



Consolidated Cash Flow Statement

	Notes	2020	2020	2019	2019
		£	£	£	£
Net Cash Inflow from Operating Activities	22		622,529		1,505,213
Returns on Investments and Servicing of Finance					
Bank interest paid		(183,245)		(206,014)	
Interest received		<u>2,276</u>		<u>5,445</u>	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(180,969)		(200,569)
Taxation			-		-
Capital Expenditure and Financial Investment					
Payments to acquire tangible fixed assets		(867,867)		(1,403,744)	
Receipts on disposal of tangible fixed assets		-		-	
Receipts on disposal of listed investments		-		-	
Payments to acquire property investments		(122,324)		(260,016)	
Short-term investments		<u>-</u>		<u>663,077</u>	
Net Cash Inflow (Outflow) from Capital Expenditure and Financial Investment			<u>(990,191)</u>		<u>(1,000,683)</u>
Net Cash Inflow (Outflow) before Financing			(548,631)		303,961
Financing					
New long-term loans		680,000		-	
New CBILS loan		500,000			
Repayment of long-term loans		<u>(176,505)</u>		<u>(457,140)</u>	
			1,003,495		(457,140)
Increase/(Decrease) in Cash			<u>454,864</u>		<u>(153,179)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt					
		2020		2019	
		£		£	
Increase/(decrease) in cash			454,864		(153,179)
New long-term loans			(1,180,000)		-
Repayment of long-term loans			<u>176,505</u>		<u>457,140</u>
Movement in Net Debt in the Year			(548,631)		303,961
Net debt at 1st October (Note 22)			<u>(12,093,725)</u>		<u>(12,397,686)</u>
Net Debt at 30th September (Note 22)			<u>(12,642,356)</u>		<u>(12,093,725)</u>

Notes to the Financial Statements

1 Objects and Organisation of the Association

The Association is a registered charity for the advancement of education within the Christian ideal, incorporated under the Companies Act 2006, limited by guarantee and having no share capital. (As from 15th October 1980, the word 'Limited' is omitted by licence of the Secretary of State for Trade.) It is organised as follows:

- ownership of various properties, the financing of the related mortgages, fund-raising activities, and general administration are the responsibility of the Association;
- the properties are run as independent centres and their operation is the responsibility of the various house management committees; they are run according to the principles of the Association, and to achieve its objects.

2 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of NEA to continue as a going concern for at least another 12 months from the date of approval of the financial statements. In particular the Trustees have considered NEA's forecasts and projections and have taken account of pressures on income. Covid-19 control measures resulted in the need to close the doors of the halls of residence and conference centre for long periods, with resulting loss of income. However, the Trustees take the view that, with suitable cash-flow management, the loss of income does not threaten long-term sustainability of the charity. NEA enjoys a wide base of supporters who work voluntarily and give generously to the Charity, a number of whom have made interest-free loans. NEA has also taken out CBILS and other commercial loans to assist its immediate cash needs. The Trustees will be re-considering its strategic plans in the light of performance in 2019/2020. They are aware that for many years NEA's net current liabilities have been negative. This results from a large number of interest-free loans from supporters which are payable on demand. Having reviewed forecasts, cashflows and budgets for at 12 months from the date of signing these accounts in order to determine the going concern status, the Trustees have concluded that there is a reasonable expectation that NEA has adequate resources to continue in operational existence for the foreseeable future. NEA therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of Consolidation

The group accounts consolidate the accounts of Netherhall Educational Association and its subsidiary undertakings drawn up to 30th September. As permitted by Section 480 of the Companies Act 2006, no separate statement of financial activities for Netherhall Educational Association is presented.

Accounting Policies (continued)

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund.

Depreciation of Fixed Assets

Freehold land is not depreciated. The Trustees have used the transitional arrangements of FRS102 with regards revalued assets to be carried at deemed cost. The cost or valuation of other tangible fixed assets is depreciated by annual instalments over their expected useful lives as follows:

Long leasehold buildings	50 years
Freehold buildings	50 – 200 years
Furniture and fittings	10 years
Motor vehicles	4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable.

The capitalisation threshold is set at £2,500.

Financial Instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments (and has no instruments required to be accounted for under Section 12 “Other Financial Instruments”). Financial instruments are recognised in the charity’s balance sheet when the charity becomes party to the contractual obligations of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right of set off and an intention to settle the net amount. With the exceptions of prepayment, deferred income and balances due to/from HMRC, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Other financial instrument assets include investments which are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Programme related investments – properties

Properties which are used to help fulfill the charity's objectives are initially recognised at cost and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

Investments

Certain of the group's properties are held for long-term investment. Investment properties include, where appropriate, interest on capital employed, capitalised during their development periods. Investment properties are accounted for in accordance with SSAP 19, as follows:

- investment properties are revalued and the aggregate surplus or deficit is transferred to the revaluation reserve; where the total of the revaluation reserve is insufficient to cover a deficit the excess is charged in the Statement of Financial
- no depreciation is provided in respect of freehold investment properties.

The carrying values of investments in subsidiaries are reviewed for impairment annually if events or changes in

Income

All income is included in the Statement of Financial Activities on a receivable basis.

Where income is received in advance, it is carried forward as deferred income and is released in the period to which it relates.

Accounting Policies (continued)

Allocation of Costs

Charitable expenditure includes salary costs of staff employed at the centres, depreciation of fixed assets owned by NEA, interest paid on NEA's loans and other charitable expenditure.

Support costs include the salary costs of the finance staff, depreciation of computer and other equipment and other administration expenditure. They are re-allocated to the other activities in line with expenditure on those

Governance costs comprises audit fees and other compliance costs.

Expenditure is charged on an accruals basis. Grants payable are included in the Statements of Financial Activities when approved and communicated to a third party to create a constructive obligation.

Foreign currencies transactions

Unsecured loans expressed in foreign currencies have been translated into sterling at the rates of exchange ruling at the year end date. All exchange gains/losses have been reflected in the statement of financial activities.

Fund Accounting

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds that are set aside by the Trustees out of general funds for specific future purposes or objects.

Restricted funds are funds that can only be used for specific purposes within the objects of the charity. Restrictions arise when specified by the donor(s).

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Critical accounting estimates and judgements

In the application of NEA's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Provisions

The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

3 Donations

Donations include £ 399,264 (2019 – £260,328) for donations received by the various centres. No legacies were received during the year (2019 – nil). NEA is able to recover tax on donations received under GiftAid.

Income from charitable activities relates to residential fees, charges for courses and activities, and subscriptions.

As a charity, the Association is not liable to taxation on its income provided this is fully applied to the furtherance of its objects.

4 Analysis of Expenditure 2019/20

	Note	Generating Funds £	Residential activity centres £	Residential & non-residential programmes £	Clubs and study centres £	Support Costs £	2020 Total £
Staff costs	6a	-	319,134	72,133	63,232	159,127	613,626
Depreciation	9	-	216,353	65,668	101,171	34,583	417,775
Interest paid	5	-	7,465	-	175,780	-	183,245
Catering		-	131,302	36,973	60,595	-	228,870
Light & heat		-	117,574	33,322	34,573	-	185,469
Rent & rates		-	5,341	10,112	14,456	-	29,909
Maintenance		356,742	78,061	48,657	24,722	-	508,182
Replacements		-	19,124	1,229	11,657	-	32,010
Other costs		-	333,530	9,704	40,835	207,758	591,827
Audit		-	-	-	-	38,353	38,353
Support Costs allocated pro rata on other expenditures.		65,665	226,014	51,134	97,008	(439,821)	-
		<u>422,407</u>	<u>1,453,898</u>	<u>328,932</u>	<u>624,029</u>	-	<u>2,829,266</u>
Charitable Grants	18						-
Impairment loss on programme related investment properties	10	-					1,000,000
Total 2020							<u>3,829,266</u>

Analysis of Expenditure 2018/19

	Note	Generating Funds £	Residential activity centres £	Residential & non-residential programmes £	Clubs and study centres £	Support Costs £	2019 Total £ (Restated)
Staff costs	6a	-	364,272	73,442	39,903	151,231	628,848
Depreciation	9	-	216,354	52,845	134,154	20,456	423,809
Interest paid	5	-	11,108	-	194,906	-	206,014
Catering		-	157,343	43,647	38,721	-	239,711
Light & heat		-	207,201	36,212	26,225	-	269,638
Rent & rates		-	3,645	7,322	8,738	-	19,705
Maintenance		407,917	60,107	51,902	25,258	-	545,184
Replacements		-	9,791	6,445	2,304	-	18,540
Other costs		-	385,904	58,309	80,240	51,125	575,578
Audit		-	-	-	-	32,213	32,213
Support Costs allocated pro rata on other expenditures.		38,469	133,512	31,133	51,911	(255,025)	-
		<u>446,386</u>	<u>1,549,237</u>	<u>361,257</u>	<u>602,360</u>	-	<u>2,959,240</u>
Charitable Grants	18						-
Total 2019							<u>2,959,240</u>

5 Mortgage and loan interest	2020	2019
	£	£
Interest on mortgages and bank loans	183,245	206,014

6a Staff Costs	2020	2019
	£	£
Wages and salaries	561,147	580,628
Social security costs	38,850	34,930
Employer's pensions contribution	13,629	13,291
	<u>613,626</u>	<u>628,849</u>

The average weekly number of employees during the year was as follows:

	2020	2019
	Actuals	Actuals
Charitable work: activities and operational domestic/catering	5	5
	32	37
Management and administration	1	1
	<u>38</u>	<u>43</u>

No employee earned £60,000 per annum or more (2019 nil).

6b Governance Structure and Key Management Personnel

The Association considers its key management personnel to be its Trustees. As set out in Note 7, their total employment benefits including employer pension contributions were £nil (2019: £nil). The Trustees delegate the day-to-day running of NEA to an Executive Committee of Trustees including the Chairman. They are in frequent contact and must refer major and strategic decisions to meetings of all the Trustees. There is no chief executive, the two members of "headquarters" staff reporting to the Executive Committee. Each of the Association's centres has a Management Committee - formed of volunteers or employed staff as appropriate to the centre - with authority to run the activities in and from that centre in accordance with plans and budgets agreed with the Executive Committee.

7 Emoluments of Trustees

No Trustee received any remuneration for his services during the year (2019 - £nil). During the year 2019/20 NEA paid the travel costs of two Trustees amounting to £2,679 (2019 - £2,867 one Trustee).

8 Retained Surplus Attributable to Parent Company

The retained deficit (after charging depreciation, audit fees split parent and group, and loss on sale of fixed assets and before unrealised gains/losses on investments and exchange differences) dealt with in the accounts of the parent company was £610,868 (2019 - £1,046,395 surplus). The company is exempt from publication of its own profit and loss account under Section 480 of the Companies Act 2006.

8a Net income

Net income is shown after charging;

	2020	2019
	£	£
Depreciation	417,775	423,809
Auditor's remuneration - audit services	32,608	32,213
Auditor's remuneration - other	5,745	-
Impairment of programme related investments	1,000,000	-
Loss on sale of fixed assets	1	-
	<u>1</u>	<u>-</u>

9 Tangible Fixed Assets

Group	Land and Buildings	Furniture and Fittings	Motor Vehicles	Total
	£	£	£	£
Cost or valuation:				
At 1st October 2019	39,458,454	66,919	99,156	39,624,529
Additions during the year	816,106	-	51,761	867,867
Disposals	-	-	(15,700)	(15,700)
Transfers to Programme Related Property Investments	(6,112,628)	-	-	(6,112,628)
At 30th September 2020	<u>34,161,932</u>	<u>66,919</u>	<u>135,217</u>	<u>34,364,068</u>
Depreciation				
At 1st October 2019	6,295,245	48,607	55,570	6,399,422
Charge for the Year	384,175	7,210	26,390	417,775
Depreciation on Disposals	-	-	(15,699)	(15,699)
Transfers to Programme Related Property Investments	(64,294)	-	-	(64,294)
At 30th September 2020	<u>6,615,126</u>	<u>55,817</u>	<u>66,261</u>	<u>6,737,204</u>
Net Book Value				
At 30th September 2020	<u>27,546,806</u>	<u>11,102</u>	<u>68,956</u>	<u>27,626,864</u>
	17			
At 30th September 2019	<u>33,163,209</u>	<u>18,312</u>	<u>43,586</u>	<u>33,225,107</u>

9 Tangible Fixed Assets (continued)

Company	Land and Buildings £	Furniture and Fittings £	Motor Vehicles £	Total £
Cost or valuation:				
At 1st October 2019	30,059,592	66,919	99,156	30,225,667
Additions during the year	816,106	-	51,761	867,867
Disposals	-	-	(15,700)	(15,700)
Transfers to Programme Related Property Investments	<u>(6,112,628)</u>	<u>-</u>	<u>-</u>	<u>(6,112,628)</u>
At 30th September 2020	<u>24,763,070</u>	<u>66,919</u>	<u>135,217</u>	<u>24,965,206</u>
Depreciation				
At 1st October 2019	4,211,208	48,596	55,570	4,315,374
Charge for the Year	284,696	7,210	26,390	318,296
Depreciation on Disposals	-	-	(15,699)	(15,699)
Transfers to Programme related investments	<u>(64,294)</u>	<u>-</u>	<u>-</u>	<u>(64,294)</u>
At 30th September 2020	<u>4,431,610</u>	<u>55,806</u>	<u>66,261</u>	<u>4,553,677</u>
Net Book Value				
At 30th September 2020	<u>20,331,460</u>	<u>11,113</u>	<u>68,956</u>	<u>20,411,529</u>
At 30th September 2019	<u>25,848,384</u>	<u>18,323</u>	<u>43,586</u>	<u>25,910,293</u>

The details of fixed assets are as follows - these revaluations have been taken as deemed costs following the transition to FRS102:

	Group		Company	
	2020	2019	2020	2019
<i>Land and buildings</i>	£	£	£	£
At cost	24,581,998	23,765,879	24,581,977	23,765,870
Transfers to Programme Related Property Investments	(6,112,628)	-	(6,112,628)	-
At Trustees' valuation – 2018	667,562	667,562	667,562	667,562
At professional valuation – 1996	11,000,000	11,000,000	1,601,159	1,601,159
At professional valuation – 1993	<u>4,025,000</u>	<u>4,025,000</u>	<u>4,025,000</u>	<u>4,025,000</u>
	<u>34,161,932</u>	<u>39,458,441</u>	<u>24,763,070</u>	<u>30,059,591</u>

Included in freehold property is Netherhall House, part of which has been leased to Netherhall Residences plc and New Netherhall Residences plc.

Included in land and buildings is an amount of £1,047,1867 (2019 – £7,076,654) in respect of modification and refurbishment projects in progress, which is not depreciated.

A number of charges are in existence over the individual properties held by the organisation, as described in Note 15.

The net book value of land and buildings comprises:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Freehold	26,831,936	32,448,339	19,616,590	25,133,514
Long leasehold	<u>714,870</u>	<u>714,870</u>	<u>714,870</u>	<u>714,870</u>
	<u>27,546,806</u>	<u>33,163,209</u>	<u>20,331,460</u>	<u>25,848,384</u>

10 Fixed Asset Investments

	Group		Company	
	2020	2019	2020	2019
At 30th September, fixed asset investments comprised the following	£	£	£	£
Investment Properties	5,385,000	10,518,275	5,385,000	10,518,275
Listed investments at market value	46,540	76,553	46,540	76,553
Investments in subsidiary undertakings	-	-	8,114,074	8,180,820
	<u>5,431,540</u>	<u>10,594,828</u>	<u>13,545,614</u>	<u>18,775,648</u>

Programme Related Property Investments

	Group and Company	
	2020	2019
	£	£
B/fwd	-	-
Transfer at 1 October 2019 from fixed assets/investment properties	10,305,912	-
Additions	117,324	-
Impairment on Orme Court property	(1,000,000)	-
	<u>9,423,236</u>	<u>-</u>
C/fwd		

The Programme Related Property Investments comprise 2 and 3 Orme Court, London W2 and The Cedars School in Croydon,

In 2001 and 2003, NEA purchased 3 and 2 Orme Court with the intention of transferring ownership of these properties at a future date to Dawcliffe Hall Educational Foundation, another registered charity with similar objectives, so that the two charities can run joint projects. The properties were purchased with a £1,000,000 loan taken out by NEA and secured against one property, and £5,099,874 from the other charity. The bank loan has been repaid using income from renting the properties.

In 2017 the Trustees decided to enter into a sale and leaseback with PACT Educational Trust for purchase of 'The Cedars', a secondary day school. They considered this a programme related investment in furtherance with NEA's charitable objectives. The purchase was funded by a bank loan secured on the property.

Investment Properties

	Group and Company	
	2020	2019
	£	£
B/fwd	10,518,275	10,150,013
Transfer at 1 October 2019 to programme related investments	(4,257,578)	-
Additions	5,000	260,016
Disposals		
Revaluation in line with open market valuations for adjoining properties.	(880,697)	108,246
	<u>5,385,000</u>	<u>10,518,275</u>
C/fwd		

In line with open market valuations for adjoining properties the value of the fixed asset investments was increased by £108,246 at 30th September 2019. At 30th September 2020 it was decreased by £880,697.

Listed Investments

	Group and Company	
	2020	2019
	£	£
B/fwd	76,553	79,415
Additions	-	-
Disposals	-	-
Change in Market Value	(30,013)	(2,862)
	<u>46,540</u>	<u>76,553</u>
C/fwd		

10 Fixed Asset Investments (continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Company		Holding	Proportion of Voting Rights and shares held	Nature of Business
<i>Subsidiary undertakings</i>				
Netherhall Residences plc	Company Number: 2845358	Ordinary shares	100%	Property Rental
New Netherhall Residences plc	Company Number: 2845287	Ordinary shares	100%	Property Rental
Netherhall International College Limited	Company Number: 3023523	Ordinary shares	100%	Education

Netherhall Residences plc and New Netherhall Residences plc provide rental accommodation for students.

The business of Netherhall International College Limited is English language courses during the summer at Netherhall House. Due to Covid-19 restrictions, no courses were held during the summers of 2020 and 2019. The Company is dormant.

All of the group subsidiaries are incorporated in England and registered in England and Wales.

Results of Subsidiaries for the Year to 30th September 2020

	Netherhall Residences plc	New Netherhall Residences plc	Netherhall International College Limited	Total
	£	£	£	£
Turnover	193,839	255,918	-	449,757
Cost of Sales	<u>(191,162)</u>	<u>(187,456)</u>	-	<u>(378,618)</u>
	2,677	68,462	-	71,139
Administrative expenses	(56,838)	(81,047)	-	(137,885)
Other operating income	-	-	-	-
Profit/(Loss) on ordinary activities before taxation	<u>(54,161)</u>	<u>(12,585)</u>	-	<u>(66,746)</u>
Taxation	-	-	-	-
Retained Profit/(Loss) for year to 30th September 2020	<u>(54,161)</u>	<u>(12,585)</u>	-	<u>(66,746)</u>
Retained Profit/(Loss) for year to 30th September 2019	<u>(88,780)</u>	<u>(5,218)</u>	<u>(66)</u>	<u>(94,063)</u>
Assets	3,849,634	4,281,242	2,705	8,133,582
Liabilities	<u>(9,504)</u>	<u>(10,004)</u>	-	<u>(19,508)</u>
Net Assets/Shareholder Funds 30th September 2020	<u>3,840,130</u>	<u>4,271,238</u>	<u>2,705</u>	<u>8,114,074</u>
Net Assets/Shareholder Funds 30th September 2019	<u>3,894,291</u>	<u>4,283,823</u>	<u>2,705</u>	<u>8,180,820</u>

11 Debtors and Prepayments	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Tax recoverable	142,123	78,566	142,123	78,567
Other debtors	170,496	76,999	170,496	76,999
Accruals and prepayments	-	-	-	-
	<u>312,619</u>	<u>155,565</u>	<u>312,619</u>	<u>155,566</u>

12 Cash at bank and in hand	Group	Group	Company	Company
	2020 £	2019 £	2020 £	2019 £
Restricted	101,716	98,814	101,716	98,814
Unrestricted	853,481	401,519	819,817	367,854
	<u>955,197</u>	<u>500,333</u>	<u>921,533</u>	<u>466,668</u>

13 Creditors: Amounts falling due within one year	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Secured mortgage loans (Note 15)	374,155	322,923	374,155	322,923
Other unsecured loans (Note 16)	1,830,571	1,275,402	1,830,571	1,275,402
Other taxes and social security	16,399	17,242	16,399	17,242
Other creditors	97,154	145,364	91,716	145,364
Accruals and deferred income	290,258	382,755	270,750	372,255
Amounts owed to subsidiaries	-	-	890,019	842,840
	<u>2,608,537</u>	<u>2,143,686</u>	<u>3,473,610</u>	<u>2,976,026</u>

There is a bank overdraft facility available to NEA that is secured by a floating charge over certain of the group's assets.

Deferred Rental Income

	Group and Company	
	2020 £	2019 £
Balance as at 1st October 2019	38,693	131,828
Released during the year	(38,693)	(131,828)
Deferred during the year	38,693	38,693
Balance carried forward at 30th September 2020	<u>38,693</u>	<u>38,693</u>

14 Creditors: Amounts falling due after more than one year	2020	Group and Company		2019
		2020	2019 (Restated)	
	£	£	£	£
Secured mortgage loans (see Note 15)				
- repayable after more than one year but within five years	1,898,648		1,339,245	
- repayable after more than five years	<u>9,085,451</u>		<u>9,197,977</u>	
		10,984,099		10,537,222
Unsecured loans (see Note 16)				
- repayable after more than one year but within five years	321,478		352,758	
- repayable after more than five years	<u>87,251</u>		<u>105,753</u>	
		<u>408,729</u>		<u>458,511</u>
		<u>11,392,828</u>		<u>10,995,733</u>

The long term secured loans included £5,099,874 previously disclosed separately and relates to loans on programme related investments (see note 10)

15 Secured Loans

All secured loans are secured on the freehold property of both the tangible assets and programme related property investments. Interest is payable at both fixed and variable rates which, as at 30th September 2020, ranged between 1.86% to 4.0% above bank base-rate.

Secured loans due after more than one year are repayable by instalments until they are fully paid off in 2042

	Group and Company	
	2020	2019 (Restated)
	£	£
Amounts falling due:		
in one year or less on demand	374,155	322,923
in more than one year but not more than two years	473,861	330,483
in more than two years but not more than five years	1,424,787	1,008,762
in more than five years	<u>9,085,451</u>	<u>9,197,977</u>
	11,358,254	10,860,145
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(374,155)</u>	<u>(322,923)</u>
	<u>10,984,099</u>	<u>10,537,222</u>

16 Unsecured Loans

	Group and Company	
	2020	2019 (Restated)
	£	£
Amounts falling due:		
in one year or less on demand	1,830,571	1,275,402
after one year but within five years	321,478	352,758
in more than five years	<u>87,251</u>	<u>105,753</u>
	2,239,300	1,733,913
Less: included in creditors – amounts falling due within one year (Note 13)	<u>(1,830,571)</u>	<u>(1,275,402)</u>
	<u>408,729</u>	<u>458,511</u>

17 Taxation

As a charity NEA is exempt from both income and corporation tax as set out in Section 505 of the Income and Corporation Taxes Act 1988.

Group relief, where available, has been applied between subsidiary organisations details of which can be found on individual financial statements.

18 Analysis of Designated and Restricted Resources 2019/2020

	Opening Balance 1st Oct 19	Donation incl <i>GiftAid</i>	Income Credited	Revaluation/ Impairment	Transfers	Closing Balance 30th Sep 20
	£	£	£	£	£	£
<u>Designated Funds</u>						
Jeremy White Memorial Fellowship Fun	522,962	-	5,230	-	-	528,192
Michael Richards Memorial Fund	10,000	-	100	-	-	10,100
Fixed Assets						
Net Book Value	43,743,382	-	-	(1,880,697)	572,415	42,435,100
less Outstanding debt	(12,623,625)	-	-	-	75,902	(12,547,723)
Revaluation and impairment						
TOTAL DESIGNATED	31,652,719	-	5,330	(1,880,697)	648,317	30,425,669
<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	8,990	-	90	-	-	9,080
International Projects						
KDT - Ugwuoma Study Centre, Nigeria	57,669	-	-	-	-	57,669
Pontifical University of the Holy Cross	(1,672)	-	-	-	1,672	-
Saxum Project, Jerusalem	33,827	1,140	-	-	-	34,967
TOTAL RESTRICTED	98,814	1,140	90	-	1,672	101,716

The two Jeremy White Memorial Funds and the Michael Richards Memorial Fund were established to support the activities of NEA related to students. The International Projects are educational and social projects outside Great Britain whose aims are consonant with those of NEA. The Ugwuoma Study Centre provides study and personal development opportunities of the type NEA provides at Kelston, Westpark and Dunreath. Grants sent to the Pontifical University of the Holy Cross, Rome, are for scholarships and support for international students at these university level institutions. The Saxum Project involves the construction of a conference centre outside Jerusalem akin to Wickenden Manor, which provides social development opportunities particularly for local women. No grants were paid by NEA during the year to 30 September 2020 (2019: nil). It is intended that grants will be made in 2022/21 out of the above funds.

Analysis of Designated and Restricted Resources 2018/2019

	Opening Balance 1st Oct 18	Donation incl <i>GiftAid</i>	Income Credited	Payments	Transfers	Closing Balance 30th Sep 19
	£	£	£	£	£	£
<u>Designated Funds</u>						
Jeremy White Memorial Fellowship Fun	522,962	-	-	-	-	522,962
Michael Richards Memorial Fund		10,000				10,000
Fixed Assets						
Net Book Value	42,384,098	-	-	-	1,359,284	43,743,382
less Outstanding debt	(12,692,587)	-	-	-	68,962	(12,623,625)
TOTAL DESIGNATED	30,214,473	10,000	-	-	1,428,246	31,652,719
<u>Restricted Funds</u>						
Jeremy White Memorial Bursary Fund	8,990	-	-	-	-	8,990
International Projects						
KDT - Ugwuoma Study Centre, Nigeria	25,044	32,625	-	-	-	57,669
Pontifical University of the Holy Cross	(1,812)	140	-	-	-	(1,672)
Saxum Project, Jerusalem	30,200	3,627	-	-	-	33,827
TOTAL RESTRICTED	62,422	36,392	-	-	-	98,814

19 Movement on Reserves 2019/2020

Group	At 1st October 2019 (Restated) £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties Revaluations £	Transfers in Year £	At 30th September 2020 £
Unrestricted:							
General	(415,118)	3,145,092	(2,829,266)	(30,013)	-	(649,989)	(779,294)
Designated:	31,652,719	5,330	(1,000,000)	-	(880,697)	648,317	30,425,669
Restricted:	98,814	1,230	-	-	-	1,672	101,716
	<u>31,336,415</u>	<u>3,151,652</u>	<u>(3,829,266)</u>	<u>(30,013)</u>	<u>(880,697)</u>	<u>-</u>	<u>29,748,091</u>

Company	At 1st October 2019 (Restated) £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties Revaluations £	Transfers in Year £	At 30th September 2020 £
Unrestricted:							
General	(415,118)	2,660,016	(2,344,190)	(30,013)	-	(649,989)	(779,293)
Designated:	31,652,719	5,330	(1,000,000)	-	(880,697)	648,317	30,425,669
Restricted:	98,814	1,230	-	-	-	1,672	101,716
	<u>31,336,415</u>	<u>2,666,576</u>	<u>(3,344,190)</u>	<u>(30,013)</u>	<u>(880,697)</u>	<u>-</u>	<u>29,748,092</u>

Movement on Reserves 2018/2019

Group	At 1st October 2018 (Restated) £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties Revaluations £	Transfers in Year £	At 30th September 2019 (Restated) £
Unrestricted:							
General	9,192	3,857,792	(2,959,240)	105,384	-	(1,428,246)	(415,118)
Designated:	30,214,473	10,000	-	-	-	1,428,246	31,652,719
Restricted:	62,422	36,392	-	-	-	-	98,814
	<u>30,286,087</u>	<u>3,904,184</u>	<u>(2,959,240)</u>	<u>105,384</u>	<u>-</u>	<u>-</u>	<u>31,336,415</u>

Company	At 1st October 2018 £	Income £	Expenditure £	Investment (Loss)/Gain (unrealised) £	Investment Properties (Loss)/Gain £	Transfers in Year £	At 30th September 2019 £
Unrestricted:							
General	9,191	3,857,792	(2,959,240)	105,384	-	(1,428,246)	(415,118)
Designated:	30,214,473	10,000	-	-	-	1,428,246	31,652,719
Restricted:	62,422	36,392	-	-	-	-	98,814
	<u>30,286,086</u>	<u>3,904,184</u>	<u>(2,959,240)</u>	<u>105,384</u>	<u>-</u>	<u>-</u>	<u>31,336,415</u>

20 Analysis of Assets between Funds as at 30th September 2020

Group	Creditors:				
	Fixed Assets £	Current Assets £	Amounts falling due within 1 year £	Amounts falling due after 1 year £	Total £
Unrestricted:					
General	-	1,166,100	(1,945,394.00)	-	(779,294)
Designated (see Note 5)	42,481,640	-	(663,143.00)	(11,392,828)	30,425,669
Restricted:	-	101,716	-	-	101,716
	<u>42,481,640</u>	<u>1,267,816</u>	<u>(2,608,537)</u>	<u>(11,392,828)</u>	<u>29,748,091</u>

Analysis of Assets between Funds as at 30th September 2019

Group	Creditors:				
	Fixed Assets £	Current Assets £	Amounts falling due within 1 year £	Amounts falling due after 1 year £	Total £
Unrestricted:					
General	-	557,085	(972,203.00)	-	(415,118)
Designated (see Note 5)	43,819,935	-	(1,171,483.00)	(10,995,733)	31,652,719
Restricted:	-	98,814	-	-	98,814
	<u>43,819,935</u>	<u>655,899</u>	<u>(2,143,686)</u>	<u>(10,995,733)</u>	<u>31,336,415</u>

21 Related Party Transactions

Mr X Bosch is a trustee of the Opus Dei Charitable Trust which paid £62,700 (2019 - £50,000) to NEA towards the expenses of running 4–6 Orme Court. Mr Bosch and Mr J Valero are trustees of the Greymarth Association which at 30th September 2020 had made an unsecured loan of £193,366 with NEA; the movements since the 30 September 2019 balance of £250,139 being a net repayment of £42,975 and a recharge of insurance premiums incurred on behalf of the lender.

Mr Bosch and Mr J Valero (until November 2020 and from September 2020 respectively) were directors of PACT Educational Trust who run The Cedars School. The school building was purchased by NEA in December 2018 and PACT Educational Trust leases it back for £20,000 per month under a 25 year lease. The aims of PACT Educational Trust are in line with the aims of NEA in that both organisations emphasize character formation in education based on training in the virtues

Mr Bosch, Dr Curtis, Dr Hegarty, Mr Mirabal, and Mr Valero are members of the resident management teams of some of the centres of NEA. They are required to live in and receive free accommodation at the centre whose activities they help organise, on the same basis as other non-trustee members of those management teams.

22 Notes to the Statement of Cash Flows

(a) Reconciliation of net income for the year to net cash inflow from operating activities.

	2020	2019 (Restated)
	£	£
Net income for the year	(1,588,324)	1,050,329
Interest receivable	(2,276)	(5,445)
Interest payable	183,245	206,014
Realised gain on investments	880,697	-
Unrealised gain/(loss) on investments	30,013	(105,384)
Depreciation	417,775	412,721
Impairment of asset	1,000,000	-
Loss on disposal of fixed assets	1	-
Decrease/(increase) in debtors and prepayments	(157,053)	55,330
(Decrease)/increase in creditors and accruals	<u>(141,549)</u>	<u>(108,352)</u>
Net cash inflow from operating activities	<u>622,529</u>	<u>1,505,213</u>

(b) Analysis of changes in net debt.

	At 1st October 2019 (Restated)	Cash Flow	At 30th September 2020
	£	£	£
Cash at bank and in hand	<u>500,333</u>	<u>454,864</u>	<u>955,197</u>
	500,333	454,864	955,197
Debt due within one year	(1,598,326)	(606,400)	(2,204,726)
Debt due after one year	<u>(10,995,732)</u>	<u>(397,096)</u>	<u>(11,392,828)</u>
Net debt	<u>(12,093,725)</u>	<u>(548,631)</u>	<u>(12,642,357)</u>

23 Operating lease commitments

Lessor

At the reporting end date NEA had contracted with PACT Educational Trust Limited for The Cedars School with the following minimum lease payments to NEA

	Year ended 30 September 2020	Year ended 30 September 2019
	£	£
Within one year	240,000	240,000
Between two and five years	960,000	960,000
In over 5 years	<u>4,080,000</u>	<u>4,320,000</u>
Total	<u>5,280,000</u>	<u>5,520,000</u>