

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.

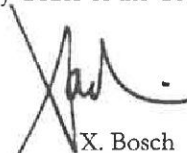
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) 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	(655,434)	5,437	42,422	(607,575)	426,971
Transfers between Funds	18	1,025,398	(1,025,398)	-	-	-
Net Movements in funds		369,964	(1,019,961)	42,422	(607,575)	426,971
Balance Brought Forward		(580,569)	30,710,918	44,713	30,175,062	29,748,091
Total Funds	19/20	<u>(210,605)</u>	<u>29,690,957</u>	<u>87,135</u>	<u>29,567,487</u>	<u>30,175,062</u>

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

All activities relate to continuing operations.

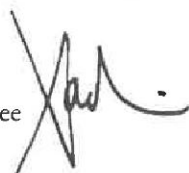
The notes on pages 14 onwards form part of these financial statements.

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		<u>(7,247,225)</u>		<u>(10,888,257)</u>
			<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

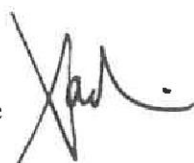
Netherhall Educational Association - Year to 30th September 2022
Balance Sheet at 30th September 2022

	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		<u>13,140,306</u>		<u>13,412,951</u>
			38,358,013		43,123,019
Current Assets					
Debtors and Prepayments	11	65,473		384,474	
Cash at bank and in hand	12	<u>1,068,636</u>		<u>764,532</u>	
		1,134,109		1,149,006	
Creditors: Amounts falling due within one year	13	<u>(2,671,706)</u>		<u>(3,208,705)</u>	
Net Current Liabilities			<u>(1,537,597)</u>		<u>(2,059,699)</u>
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)
			<u>29,573,191</u>		<u>30,175,063</u>
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		<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>29,573,191</u>		<u>30,175,063</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
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>304,008</u>		<u>234,197</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>(7,707,824)</u>		<u>(12,231,654)</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, 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

		Genera-ting funds	Residential activity centres	Residential & non- residential activities	Clubs & study centres	Support Costs	2022 Total
	Note	£	£	£	£	£	£
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>2,773,752</u>

Analysis of Expenditure 2020/21

		Genera-ting funds	Residential activity centres	Residential & non- residential activities	Clubs & study centres	Support Costs	2021 Total
	Note	£	£	£	£	£	£
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>

Notes to the Financial Statements (continued)

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

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

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.

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).

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.

Net income is shown after charging:

18

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
	<u>27,177,323</u>	<u>27,300,289</u>	<u>20,127,786</u>	<u>20,184,433</u>

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
	<u>5,194,289</u>	<u>5,455,994</u>	<u>13,140,306</u>	<u>13,412,951</u>

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	<u>(4,414,689)</u>	
Carried forward	<u>5,049,584</u>	<u>9,464,273</u>

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 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.

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	(261,378)	-
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	(115,371)	(124,622)	-	(239,993)
	(7,392)	57,069	-	49,677
Administrative expenses	(32,889)	(33,431)	-	(66,320)
Other operating income	-	-	-	-
Profit/(Loss) on ordinary activities before taxation	(40,281)	23,638	-	(16,643)
Taxation	-	-	-	-
Retained Profit/(Loss) for year to 30th September 2022	(40,281)	23,638	-	(16,643)
Retained Profit/(Loss) for year to 30th September 2021	(30,947)	(11,129)	-	(19,817)
Assets	3,685,746	4,259,474	2,705	7,947,925
Liabilities	-	(7,613)	-	(7,613)
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	2022	Group and Company		2021
		2022	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	5,850,859		8,721,496	
		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	-		-	
		243,432		306,639
		7,247,225		10,888,257

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	5,850,859	8,721,496
Total Secured Loans	7,302,828	11,036,132
Less: included in creditors – amounts falling due within one year (Note 13)	(299,035)	(454,514)
	7,003,793	10,581,618

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	-	-
Total Unsecured Loans	1,507,131	1,993,649
Less: included in creditors – amounts falling due within one year (Note 13)	(1,263,699)	(1,687,010)
	243,432	306,639

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
	37,461,533	1,167,608	(1,814,429)	(7,247,225)	29,567,487

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.