

Company registration number: 02788226

Charity registration number: 1018979

Northern Consortium

(formerly The Northern Consortium)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

NORTHERN CONSORTIUM

Kay Johnson Gee Limited
1 City Road East
Manchester
M15 4PN

Northern Consortium

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Northern Consortium

Trustees' Report

Company number 02788226

Charity registration number 1018979

Registered office address 667-669 Stockport Road, Manchester, M12 4QE

Trustees

The members of the Board of Trustees who served during the year were:

Ms J Purves

Professor P Byers

Mr S McKinnon-Evans

Dr M Butler - also sits on the Board of Directors of Northern Consortium UK Limited

Mr R Cotton

Professor J Keay

Professor N M Clement

Mr J Richardson

Professor J Watling

Professor A J Sambell (appointed 30 November 2020)

Professor D Taylor (resigned 30 September 2020)

Mrs C Swabey (resigned 6 September 2020)

Officers

Ms J Purves, Chairman of the Board of Trustees (first appointed 7 September 2017)

Prof P Byers, Deputy Chair of the Board of Trustees (first appointed 7 September 2017)

Mr S McKinnon-Evans, Treasurer (appointed 20 August 2020)

Ms D Leicester-Hallam, Executive Director & Company Secretary

Advisors

Bankers:

Barclays Bank Plc

PO Box 357

51 Mosley Street

Manchester

M60 2AU

Auditors:

Kay Johnson Gee Limited

1 City Road East

Manchester

M15 4PN

Solicitors:

Browne Jacobson

14th Floor

No.1 Spinningfields

1 Hardman Square

Spinningfields

Manchester

M3 3EB

Northern Consortium

Trustees' Report

Members of Northern Consortium

The present members of the Consortium are:

The University of Bradford	Leeds Beckett University
The University of Salford	Liverpool John Moores University
Sheffield Hallam University	The University of Manchester
The University of Leeds	Manchester Metropolitan University
The University of Sheffield	The University of Huddersfield.

The Board of Trustees, who are also Directors of the Charity for Companies Act purposes, present their report for the year ended 31 August 2020 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the Act, and with the Charities SORP (FRS102)-effective 1 January 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Reference and Administration

Northern Consortium ("NC / "the Charity") was incorporated as a company limited by guarantee (company registration number 02788226) on 9 February 1993. The Company was registered with the Charity Commission (registration number 1018979) on 23 March 1993. The members of the Board of Trustees, executive officers and principal address of the Charity are as listed on page 2, alongside the particulars of the Charity's professional advisers.

Structure, Governance and Management

Governing document

The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its constitution and Articles of Association. The Articles were updated in October 2020 to ensure that they are fit for purpose and reflective of current language and practice. The updated Articles of Association and name change to Northern Consortium were approved by special resolution on 19th October 2020.

Governing body

The Charity is governed by the members of the Board of Trustees who are appointed in accordance with the Articles of Association. Each member university of Northern Consortium is entitled to nominate one member to the Board of Trustees, and there is also provision for the Trustees to appoint up to four external Trustees. The number of members of the Board of Trustees is not subject to a maximum but shall not be less than three. There are currently ten serving Trustees.

Recruitment and Training of Board of Trustees' Members

Consortium Trustees are nominated by member universities and are selected from the member universities' senior management. External Trustees are recruited through open recruitment procedures. Key selection criterion is an understanding of the role and responsibilities of a Charity Trustee as well as experience or knowledge within a desired area [which fulfils an area identified by a skills audit]. An induction process, mentoring where appropriate and formal training is offered to all new Trustees on appointment to the Board. In 2019/20 the Board of Trustees had one serving external Trustee, who also sat on the Management and Finance Committee until their resignation on 6 September 2020.

Northern Consortium

Trustees' Report

Organisational Management

The members of the Board of Trustees, as the Trustees of the Charity, are legally responsible for the overall management and control of the Charity and meet as the Board of Trustees at least twice annually.

The day to day running of the Charity is delegated to the Executive Director who works on a part time basis.

Group structure and relationships

The Charity has a wholly owned subsidiary, Northern Consortium UK Limited (NCUK), whose activities and performance are discussed below.

Risk Management

The Board of Trustees have identified the significant and ongoing risks to Northern Consortium's achievement of its Charitable Objects and a detailed risk register is maintained.

The risk register is regularly reviewed by the Board of Trustees, and the Management and Finance Sub-Committee supported by the Executive Director. Reports illustrate emergent or escalating risks and issues.

Other key controls used by the Charity in the management of risk include:

- formal agendas and minutes for all Board of Trustees meetings and activity;
- strategic planning, budgeting and management accounting;
- a Management and Finance Sub-Committee to provide additional scrutiny and oversight;
- established organisational structure and lines of reporting;
- clear authorisation and approval levels

A similar formal risk assessment strategy is also in place for the Charity's wholly owned subsidiary company NCUK which is regularly reviewed by the NCUK Executive and Board of Directors, any red rated items are escalated to the Trustees.

Objects, Aims, Objectives and Activities

Charitable objects

The objects for which the Charity was established are:

"The advancement of education by administering or running, or procuring the administering or running of, educational projects and training programmes and acting as an education consultant including without prejudice to the generality of the foregoing, running collaborative teaching projects with both UK and overseas educational institutions or other organisations providing syllabuses for courses attended by international students leading to degrees, diplomas, professional or other qualifications whether such courses are run in the UK or overseas, quality assurance of such courses providing bursaries, counselling, placements or other support to students on such courses, administering and promoting such courses and examinations and recruiting suitably qualified academic staff to teach such courses".

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Trustees' Report

Public Benefit Statement

The Trustees have had regard to the Charity Commission's guidance on public benefit to inform its decision making and review of how the Charity's activities and plans contribute to achieving its aims and objectives. Founded in 1987 by publicly funded UK universities, Northern Consortium is unique in supporting UK higher education on a not-for-profit basis. The Consortium, through its subsidiary, NCUK, provides high quality educational programmes and associated services to support international students' progression to university. The Charity funds research, provides grants and also supports the work of similar educationally focused charities. The Consortium delivers public benefit by:

- supporting the continued success, international reputation and financial health of UK universities, and other eligible bodies in the UK. Which in turn supports universities to research, teach, provide public access to their activities, and contribute to the cultural, social and economic wellbeing of their locality;
- providing - through an international network of delivery partnerships - educational programmes and associated services of the highest quality to international students;
- making UK degrees available and affordable to less affluent students, internationally, through a successful and expanding transnational education' offer, delivered overseas;
- providing grants to support international students from groups under-represented in higher education who would otherwise be unable to access UK higher education opportunities via the Presidents UK scholarship scheme (further information below);
- seeks to promote and enhance transnational education opportunities and support the engagement of students from widening participation groups; and
- supporting research into - and the promotion of - the access agenda in higher education, particularly in relation to international higher education.

Key Achievements in 2019/20

During 2019/20 Northern Consortium and its trading subsidiary successfully managed within the new COVID-19 operating environment to:

- significantly increase the number of students progressing from preparatory programmes to degree programmes in the UK or overseas by: 2563 students* who successfully progressed to degree level (15.5% increase from 2018/19);
- undertake activity that will provide its publicly-funded UK partner universities with £27 million of tuition fee income in the 2019/20 financial year and £75* million of tuition fee income generated over the duration of their degree course;
- increase the geographical diversity of students able to benefit from the Consortium's offer, by opening 22 new study centres and entering 5 new markets increasing student registrations in Africa, Europe South East Asia and South America;
- successfully move to an online delivery service model, this reduced impact on students and partners and ensured that students and partners across the globe could continue to learn and educate;
- support the Campaign for At Risk Academics (CARA): funding of £20k was used to support scholars from Syria and Iraq to continue their PhD studies at UK universities;

Northern Consortium

Trustees' Report

- co-fund with the British council and Universities UK International (UUKi), a piece of high-level, national research into the impact that short term international exchange has on students from widening-participation cohorts: this will help to provide a foundation for the assessment of NC's impact in this area and to direct future grant-giving. This is due to be published in 2021;
- support the Presidents UK Scholarship scheme, a scheme run in collaboration with the Brook House School, Kenya which enables a small number of nominated, high achieving students to access a UK university course. The Charity provide grants to cover living and accommodation costs during the academic year and the universities waive the tuition fees. The last student was admitted in 2018 and the scheme is now closing, with the final scholar due to graduate in 2023;
- support the current three [Presidents UK] scholars with hardship funds, when they were grounded in the UK due to COVID-19 during the summer months. The Charity's hardship funds supported accommodation and living costs; and
- commence a full review of the Charity's policies, practices and procedures to ensure that NC adheres to best practice, this resulted in a revision of the Charity's Articles of Association to provide a modern framework for the Charity to operate.

*subject to final enrolment confirmation

Governance Review

A central focus of Trustees' activities across the past eighteen months has been a review of governance across the Charity with a particular focus on achieving a delineation of the Charity from its trading subsidiary, NCUK. The aim of the separation was to improve the independent governance of both organisations, reflecting more clearly the distinction of the operating and regulatory environments of the two entities.

The now embedded independent leadership arrangements have enabled the Trustees to focus upon Northern Consortium's charitable purpose and support a renewed approach to the 'equity of access to international higher education'. The changes also support more robust scrutiny of its trading subsidiary.

Until Autumn 2019, a joint Chief Executive managed both NC and NCUK. Trustees ended this arrangement and separated the roles appointing a new Executive Director to the Charity and a new Chief Executive to NCUK.

Work undertaken in the year has been the internal review of systems, policies and processes within the Charity. The Board have spent time considering succession plans and determining improved governance arrangements for the Charity, and this culminated with the adoption of new Articles in October 2020.

Impact of COVID-19

The Charity has been pleased to be able to continue to fund all committed activity, as well as use its funds to support beneficiaries directly impacted by the pandemic (see key achievements section) in addition to using the time to consider and revise its governing document and future plans, and Trustees are working on the development of a new grant giving strategy.

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Trustees' Report

Future Plans

During 2020/21 the Charity has the following activity planned:

- provide a further three-year grant (of £20,000 pa) to the Council for At Risk Academics (CARA) to assist them to support academics and their families;
- promote the findings of its co-funded national research initiative into the impact that short term international exchange has on students from widening-participation cohorts: the findings of which will also be used to provide a foundation for the assessment of NC's impact in this area and to direct future grant-giving;
- complete the planned succession of Officers and recruit and induct new External Trustees to the Charity;
- assist the Company to recruit a new Chair, working with the current Chair and Directors to support a robust transition;
- review our grant giving strategy and expansion of our offer, with the aim of developing new funding initiatives which support the 'access' agenda in international higher education;
- following the formulation of its new grant giving strategy the Charity plans to develop its digital and online presence to increase accessibility and awareness of the Charity; and
- the Charity's trading subsidiary - NCUK - continues to enhance its digital infrastructure. The developments around teaching, learning and academic quality support enabled the organisation to develop a robust awarding model that was fair to all students, transparent and quality assured at a time where many other exam bodies were less successful. Work has now extended to wider systems development to support the service delivery aspects of NCUK's activity.

Investment Performance

Cash surplus was held on deposit with the Charity's bankers. The Board of Trustees ensured, so far as possible, that a competitive rate of interest was earned. The Charity owns 100% of the shares in its subsidiary, NCUK.

Financial Review and Results For The Year

Northern Consortium's wholly owned subsidiary, NCUK was established in October 2003. The formation of NCUK enables the Charity to effectively mitigate and manage the risks stemming from its global operations whilst also creating an income stream for the Charity. The consolidated financial performance for 2020 was strong, reflecting a good trading year for NCUK, despite the COVID-19 pandemic.

Business review

	2020	2019
	£	£
Income	5,104,620	4,424,348
Net (outgoing)/incoming resources from unrestricted funds	313,801	(79,785)
Total unrestricted funds	3,411,814	3,098,013
Total designated unrestricted funds	(385,456)	(319,129)
Total increase in consolidated cash and cash equivalents	945,062	539,039

The Charity paid £2,330 (2019: £2,144) in respect of professional indemnity for the Trustees.

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Reserves Policy

The Board of Trustees is satisfied that the Charity's reserves are available and adequate to fulfil its obligations, and a new Reserves policy is currently being developed, for implementation in Spring 2021.

The approach to reserves is in line with the Group Financial strategy as detailed below.

The objective of the Group Financial Strategy will be to deliver a 'steady state' in which NCUK generates sufficient surpluses to provide an income for NC, with which it can fulfil its charitable objectives and provide appropriate funds for its trading and development activities in accordance with its approved business plans.

The Group Financial Strategy states that:

- The Group will consider NCUK's financial outturn on an annual basis and determine the most appropriate use of any available surplus to support the objectives and business requirements of both NC and NCUK.
- NC supports the development and growth of its trading subsidiary to maximise NCUK's long-term potential to generate revenue for NC with which it can fulfil its charitable objectives.
- The Group will maintain reserves in NC and NCUK that;
 - a) NC will carry forward Free Reserves at a level of at least 50% of planned total expenditure in the following financial year;
 - b) NCUK will have built reserves to a level comparable to NCUK's shareholder capital plus cover for any *force majeure* impacting 10% of NCUK's annual revenue.

Investment policy

The Charity owns 100% of the shares in its subsidiary NCUK, from which all of its income is derived. Surplus cash is held on deposit with the Charity's bankers.

Pension Policy

Northern Consortium's pension liability has been estimated at around £1m. Trustees have identified this as a risk but have mitigated for it. Accordingly, the S75 liability will not be triggered whilst there is an active member in the scheme.

Auditors

Kay Johnson Gee Limited were appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

The report has been prepared in accordance with the Charities SORP (FRS102)-effective 1 January 2019 and in accordance with the special provisions of the small company accounting regime section 419(2) of the Companies Act 2006.

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Trustees' Report

Approved by the Board of Trustees on 22 April 2021 and signed on its behalf by:



.....
Ms J Purves

Chair of the Board of Trustees

Northern Consortium

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

So far as the Board of Trustees is aware, there is no relevant audit information (information needed by the Charity's auditors in connection with the preparation of their report) of which the Charity's auditors are unaware, and each member of the Board of Trustees has taken all the steps that s/he ought to have taken, as a member of the Board of Trustees, in order to make her/himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Trustees of the Charity on 22 April 2021 and signed on its behalf by:



Ms J Purves
Chair of the Board of Trustees

Northern Consortium

Independent Auditor's Report to the Members of Northern Consortium

Opinion

We have audited the financial statements of Northern Consortium (the 'charitable parent company') and its subsidiaries (the 'Group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 Charity's affairs as at 31 August 2020 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.

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 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 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 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.

Northern Consortium

Independent Auditor's Report to the Members of Northern Consortium

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.

Opinion 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 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate 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 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 Statement of Trustees' Responsibilities (set out on page 9), the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Northern Consortium

Independent Auditor's Report to the Members of Northern Consortium

Auditor's responsibilities for the audit of the financial statements

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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Northern Consortium

Independent Auditor's Report to the Members of Northern Consortium

Use of our report

This report is made solely to the charitable parent company's Trustees, 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 Group's 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 parent company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Michael Garrett (Senior Statutory Auditor)
For and on behalf of Kay Johnson Gee Limited, Statutory Auditor

1 City Road East
Manchester
M15 4PN

Date: 22nd April 2021

Northern Consortium

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

The information below represents the year ended 31 August 2020

	Note	Unrestricted £	Designated Pension Unrestricted £	Total 2020 £
Income and Endowments from:				
Investment income	4	21,538	-	21,538
Other income	5	<u>5,083,082</u>	-	<u>5,083,082</u>
Total Income		<u>5,104,620</u>	-	<u>5,104,620</u>
Expenditure on:				
Charitable activities	6	<u>(4,714,764)</u>	-	<u>(4,714,764)</u>
Total Expenditure		<u>(4,714,764)</u>	-	<u>(4,714,764)</u>
Tax payable on trading activities	9	<u>(76,055)</u>	-	<u>(76,055)</u>
Net income		313,801	-	313,801
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		-	<u>(66,327)</u>	<u>(66,327)</u>
Net movement in funds		313,801	(66,327)	247,474
Reconciliation of funds				
Total funds brought forward		<u>3,098,013</u>	<u>(319,129)</u>	<u>2,778,884</u>
Total funds carried forward	16	<u>3,411,814</u>	<u>(385,456)</u>	<u>3,026,358</u>

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

The information below represents the year ended 31 August 2019

	Note	Unrestricted £	Designated Pension Unrestricted £	Total 2019 £
Income and Endowments from:				
Investment income	4	21,957	-	21,957
Other income	5	<u>4,402,391</u>	-	<u>4,402,391</u>
Total Income		<u>4,424,348</u>	-	<u>4,424,348</u>
Expenditure on:				
Charitable activities	6	<u>(4,439,633)</u>	-	<u>(4,439,633)</u>
Total Expenditure		<u>(4,439,633)</u>	-	<u>(4,439,633)</u>
Tax payable on trading activities	9	<u>(64,500)</u>	-	<u>(64,500)</u>
Net expenditure		(79,785)	-	(79,785)
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>-</u>	<u>284,219</u>	<u>284,219</u>
Net movement in funds		(79,785)	284,219	204,434
Reconciliation of funds				
Total funds brought forward		<u>3,177,798</u>	<u>(603,348)</u>	<u>2,574,450</u>
Total funds carried forward	16	<u>3,098,013</u>	<u>(319,129)</u>	<u>2,778,884</u>

All of the Group's activities derive from continuing operations during the above two periods.

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

The information below represents the year ended 31 August 2020

	Note	Unrestricted £	Designated Pension Unrestricted £	Total 2020 £
Income and Endowments from:				
Investment income	4	9,785	-	9,785
Total Income		9,785	-	9,785
Expenditure on:				
Charitable activities	6	(166,412)	-	(166,412)
Total Expenditure		(166,412)	-	(166,412)
Net expenditure		(156,627)	-	(156,627)
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		-	(16,945)	(16,945)
Net movement in funds		(156,627)	(16,945)	(173,572)
Reconciliation of funds				
Total funds brought forward		2,264,218	(21,679)	2,242,539
Total funds carried forward	16	2,107,591	(38,624)	2,068,967

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

The information below represents the year ended 31 August 2019

	Note	Unrestricted £	Designated Pension Unrestricted £	Total 2019 £
Income and Endowments from:				
Investment income	4	330,582	-	330,582
Total Income		330,582	-	330,582
Expenditure on:				
Charitable activities	6	(311,308)	-	(311,308)
Total Expenditure		(311,308)	-	(311,308)
Net income		19,274	-	19,274
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		-	58,461	58,461
Net movement in funds		19,274	58,461	77,735
Reconciliation of funds				
Total funds brought forward		2,244,944	(80,140)	2,164,804
Total funds carried forward	16	2,264,218	(21,679)	2,242,539

All of the Group's activities derive from continuing operations during the above two periods.

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium
(Registration number: 02788226)
Consolidated Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	24,546	67,476
Current assets			
Debtors	12	332,076	509,948
Cash at bank and in hand		<u>4,792,804</u>	<u>3,847,742</u>
		5,124,880	4,357,690
Creditors: Amounts falling due within one year	13	<u>(1,733,250)</u>	<u>(1,307,622)</u>
Net current assets		<u>3,391,630</u>	<u>3,050,068</u>
Total assets less current liabilities		3,416,176	3,117,544
Provisions		<u>(4,362)</u>	<u>(19,531)</u>
Net assets excluding pension liability		3,411,814	3,098,013
Pension scheme liability	15	<u>(385,456)</u>	<u>(319,129)</u>
Net assets including pension liability		<u>3,026,358</u>	<u>2,778,884</u>
Funds of the Group:			
Unrestricted income funds			
Unrestricted funds		<u>3,026,358</u>	<u>2,778,884</u>
Total funds	16	<u>3,026,358</u>	<u>2,778,884</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 14 to 42 were approved by the Trustees, and authorised for issue on 22 April 2021 and signed on their behalf by:



.....
 Ms J Purves
 Chair of the Board of Trustees


The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium
(Registration number: 02788226)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Investments		1,256,001	1,256,001
Current assets			
Cash at bank and in hand		908,347	1,303,503
Creditors: Amounts falling due within one year	13	<u>(56,757)</u>	<u>(295,286)</u>
Net current assets		<u>851,590</u>	<u>1,008,217</u>
Net assets excluding pension liability		2,107,591	2,264,218
Pension scheme liability	15	<u>(38,624)</u>	<u>(21,679)</u>
Net assets including pension liability		<u>2,068,967</u>	<u>2,242,539</u>
Funds of the Charity:			
Unrestricted income funds			
Unrestricted funds		<u>2,068,967</u>	<u>2,242,539</u>
Total funds	16	<u>2,068,967</u>	<u>2,242,539</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 14 to 42 were approved by the Trustees, and authorised for issue on 22 April 2021 and signed on their behalf by:



.....
 Ms J Purves
 Chair of the Board of Trustees

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Consolidated Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net movement in funds		247,474	204,434
Tax refund/(paid) by subsidiary		(64,485)	-
Adjustments to cash flows from non-cash items			
Depreciation		38,985	52,326
Investment income	4	(21,538)	(21,957)
Corporation tax charge		91,224	64,500
		<u>291,660</u>	<u>299,303</u>
Working capital adjustments			
Decrease in debtors	12	177,872	202,420
Increase in creditors	13	398,889	308,937
Decrease (increase) in retirement benefit obligation net of actuarial changes	15	66,327	(284,219)
Decrease in provisions		<u>(15,169)</u>	<u>-</u>
Net cash flows from operating activities		<u>919,579</u>	<u>526,441</u>
Cash flows from investing activities			
Interest receivable and similar income	4	21,538	21,957
Purchase of tangible fixed assets	10	(7,887)	(8,489)
Sale of tangible fixed assets		11,832	-
Net cash flows from investing activities		<u>25,483</u>	<u>13,468</u>
Net increase in cash and cash equivalents		945,062	539,909
Cash and cash equivalents at 1 September		<u>3,847,742</u>	<u>3,307,833</u>
Cash and cash equivalents at 31 August		<u>4,792,804</u>	<u>3,847,742</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (expenditure)/income		(173,572)	77,735
Adjustments to cash flows from non-cash items			
Investment income	4	<u>(9,785)</u>	<u>(330,582)</u>
		(183,357)	(252,847)
Working capital adjustments			
Decrease in debtors	12	-	756,000
(Decrease)/increase in creditors	13	(238,529)	152,243
Decrease (increase) in retirement benefit obligation net of actuarial changes	15	<u>16,945</u>	<u>(58,461)</u>
Net cash flows from operating activities		<u>(404,941)</u>	<u>596,935</u>
Cash flows from investing activities			
Interest receivable and similar income	4	9,785	8,055
Acquisition of investments in subsidiary undertakings		-	(756,000)
Gift aid from subsidiary		<u>-</u>	<u>322,527</u>
Net cash flows from investing activities		<u>9,785</u>	<u>(425,418)</u>
Net (decrease)/increase in cash and cash equivalents		(395,156)	171,517
Cash and cash equivalents at 1 September		<u>1,303,503</u>	<u>1,131,986</u>
Cash and cash equivalents at 31 August		<u><u>908,347</u></u>	<u><u>1,303,503</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 22 to 42 form an integral part of these financial statements.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Charity status

The Charity is limited by guarantee, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

Northern Consortium was incorporated in England and Wales. The address of the registered office is:

667-669 Stockport Road
Manchester
M12 4QE

2 Change in Charity name

The charitable company amended its name in October 2020. It was previously incorrectly registered as The Northern Consortium with Companies House. The Charity has always been registered as Northern Consortium with the Charity Commission.

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Northern Consortium meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Charity and its subsidiary undertakings drawn up to 31 August 2020.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

A subsidiary is an entity controlled by the Charity. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis. COVID-19 is not expected to have a significant impact on Northern Consortium. The Trustees have determined that there is no material uncertainty that casts doubt on the Group's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

Income and endowments

Income from Charitable Activities represent amounts derived from the provision of educational and consultancy services and are included in the statement of financial activities when the Charity is entitled to such income and when the amount can be quantified with reasonable accuracy.

In accordance with the SORP, where income received is subject to externally imposed restrictions as to its use (either for capital or revenue expenditure), this has been credited in full to income and has been accounted for as a restricted fund.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Other trading activities

This represents turnover from Northern Consortium UK Limited (NCUK) and represents amounts due for educational courses and training programmes provided by this subsidiary, stated after trade discounts, other sales taxes and net of VAT.

Investment income

Investment income which comprises bank interest and interest on loans to related parties is recognised as received.

Charitable trading income

Charitable trading income, where applicable, represents amounts receivable by the Charity for the provision of higher education and includes tuition fees.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Trading activities

Trading activities expenditure comprises all expenditure within NCUK and represents amounts paid on employment and establishment costs.

Charitable expenditure

Charitable activities expenditure comprises all expenditure relating to the objects of the Charity and includes the direct costs of supporting charitable activities including governance costs comprising the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Board of Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Grants

Grants payable are charged as committed. The Charity awards grants to support particular activities which fulfil the Charity's objectives for the advancement of education.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Government grants

Included in other income in the Consolidated Statement of Financial Activities is government grants received or receivable in respect of the Coronavirus Job Retention Scheme (CJRS). These grants are recognised as income when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary's tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture, Fixtures & Fittings	25% Reducing balance
Computer equipment	33 1/3% Cost

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event, it is probable that the Charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

In accordance with the Articles of Association, all funds can be expended at the Trustees' discretion in the furtherance of the Charity's objects.

Unrestricted funds are incoming resources received as generated for expenditure on the general objectives of the Charity.

The designated fund is an unrestricted fund set aside for the unrealised liability of the defined benefit pension scheme. Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate Trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

FRS 102 makes the distinction between a Group plan and a multi-employer scheme. A Group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Investment income

	Unrestricted	Group		Charity	
	General £	Total 2020 £	Total 2019 £	Total 2020 £	Total 2019 £
Interest receivable and similar income;					
Interest receivable on bank deposits	21,538	21,538	21,957	9,785	8,055
Gift aid payments from group undertakings	-	-	-	-	322,527
	<u>21,538</u>	<u>21,538</u>	<u>21,957</u>	<u>9,785</u>	<u>330,582</u>

In view of the Charity's balance sheet strength, no Gift Aid payment was made by NCUK for 2020.

5 Other income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Income from trading subsidiary	5,051,542	5,051,542	4,402,391
Government grants receivable	31,540	31,540	-
	<u>5,083,082</u>	<u>5,083,082</u>	<u>4,402,391</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

6 Expenditure on charitable activities

	Unrestricted	Total	Total
Note	General £	2020 £	2019 £
Cost of trading activities (NCUK)			
Cost of sales	656,376	656,376	609,135
Employment costs	2,308,931	2,308,931	1,993,315
Establishment costs	127,851	127,851	151,131
General admin expenses	1,395,821	1,395,821	1,315,539
Finance charges	8,556	8,556	6,879
Depreciation and profit / loss on disposal	50,817	50,817	52,326
	<u>4,548,352</u>	<u>4,548,352</u>	<u>4,128,325</u>
Charitable activities			
Central salaries	-	-	3,904
Bank charges	20	20	18
Rent	-	-	2,138
Office expenses	2,321	2,321	1,083
Scholarships and project development	107,230	107,230	210,265
	<u>109,571</u>	<u>109,571</u>	<u>217,408</u>
Governance costs			
Staff costs	42,602	42,602	57,557
Auditors' remuneration	7,265	7,265	6,626
Legal fees	3,488	3,488	21,342
Other governance costs	3,486	3,486	8,375
	<u>56,841</u>	<u>56,841</u>	<u>93,900</u>
	<u>4,714,764</u>	<u>4,714,764</u>	<u>4,439,633</u>

£4,714,764 (2019 - £4,439,633) of the above expenditure was attributable to unrestricted funds and £Nil (2019 - £Nil) to restricted funds.

Included in the expenses above are the following fees receivable by the Charity's auditor:

Group	2020 £	2019 £
Audit fees	11,969	11,260
Statutory accounts production	-	4,680
Tax compliance and advice	-	1,690
	<u>11,969</u>	<u>17,630</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

	2020 £	2019 £
Charity		
Audit fees	3,670	3,495
Statutory accounts production	<u>-</u>	<u>3,130</u>

7 Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the Group during the year.

The amount of expenses claimed for travel and meetings by Trustees during the year totalled £nil (2019: £275).

8 Staff costs

The aggregate payroll costs were as follows:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Staff costs during the year were:				
Wages and salaries	1,978,867	1,782,833	42,602	61,461
Social security costs	166,121	128,000	-	-
Pension costs	<u>206,545</u>	<u>143,943</u>	<u>-</u>	<u>-</u>
	<u>2,351,533</u>	<u>2,054,776</u>	<u>42,602</u>	<u>61,461</u>

The monthly average number of persons (including senior management team) employed by the Group during the year expressed as full time equivalents was as follows:

	Group		Charity	
	2020	2019	2020	2019
Average number of employees	<u>49</u>	<u>46</u>	<u>1</u>	<u>-</u>

During the year, the Company made redundancy and/or termination payments which totalled £Nil (2019 - £34,104).

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

The number of NCUK employees within the Group whose emoluments fell within the following bands was:

	Group		Charity	
	2020	2019	2020	2019
£60,001 - £70,000	1	1	-	-
£70,001 - £80,000	2	2	-	-
£100,001 - £110,000	-	1	-	-
£130,001 - £140,000	1	-	-	-
	<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>

The Charity considers its key management personnel comprise the Trustees and the Executive Director.

The total employee benefits of the key management personnel of the Group were £31,051 (2019 - £100,980). During the previous year the key management personnel comprised a number of the Company senior executives who provided time to manage the Charity.

9 Taxation

The Northern Consortium has charitable status and is thus potentially exempt from taxation of its income and gains provided that they are applied for charitable purposes only. However, the following tax charges have arisen in the trading subsidiary:

	Group	
	2020 £	2019 £
Current Tax		
Corporation tax charge	91,300	64,500
Deferred Tax		
Origination and reversal of timing differences	<u>(15,169)</u>	<u>-</u>
	<u>76,131</u>	<u>64,500</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

10 Tangible fixed assets

Group

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 September 2019	260,311	260,311
Additions	7,887	7,887
Disposals	<u>(80,004)</u>	<u>(80,004)</u>
At 31 August 2020	<u>188,194</u>	<u>188,194</u>
Depreciation		
At 1 September 2019	192,835	192,835
Charge for the year	38,985	38,985
Eliminated on disposals	<u>(68,172)</u>	<u>(68,172)</u>
At 31 August 2020	<u>163,648</u>	<u>163,648</u>
Net book value		
At 31 August 2020	<u>24,546</u>	<u>24,546</u>
At 31 August 2019	<u>67,476</u>	<u>67,476</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

11 Fixed asset investments

Charity

	2020 £	2019 £
Shares in group undertakings and participating interests	1,256,001	1,256,001

Shares in Group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 September 2019	1,256,001	1,256,001
At 31 August 2020	1,256,001	1,256,001
Net book value		
At 31 August 2020	1,256,001	1,256,001
At 31 August 2019	1,256,001	1,256,001

Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
Northern Consortium UK Limited	England and Wales	Ordinary	100%	100%	Educational services

Northern Consortium UK Limited's company number is 04842064.

Northern Consortium UK Limited's registered office and principal place of business is:

76 King Street
Manchester
M2 4NH

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Subsidiaries

Northern Consortium UK Limited and NCUK Australia Pty Ltd (a wholly owned subsidiary of Northern Consortium UK limited), are included in the consolidated accounts.

Aggregate financial information of subsidiaries

	2020 £	2019 £
Aggregate assets and liabilities	2,228,361	1,804,514
Total income	5,083,082	4,402,391
Total expenditure	(4,583,179)	(3,884,875)
Profit / (Loss) for the year	499,903	517,516

12 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	310,206	449,728	-	-
Other debtors	21,870	60,220	-	-
	<u>332,076</u>	<u>509,948</u>	<u>-</u>	<u>-</u>

13 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	85,510	135,824	-	-
Due to group undertakings	-	-	3,217	264,611
Pension scheme creditor	30,316	22,317	787	-
Other taxation and social security	352,551	40,476	723	-
Accruals	849,620	615,746	52,030	30,675
Other creditors	415,253	493,259	-	-
	<u>1,733,250</u>	<u>1,307,622</u>	<u>56,757</u>	<u>295,286</u>

The Group operates a defined benefit pension scheme. Contributions totalling £30,316 (2019: £22,317) were payable to the scheme at the end of the year and are included in creditors.

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Notes to the Financial Statements for the Year Ended 31 August 2020

14 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Land and buildings				
Within one year	8,318	45,740	-	-
Other				
Within one year	62,144	3,673	-	-
Between one and five years	7,200	22,380	-	-
	<u>69,344</u>	<u>26,053</u>	<u>-</u>	<u>-</u>

15 Pension and other schemes

Defined benefit pension schemes

Universities Superannuation Scheme (USS)

The total Charity (gain)/loss charged to the profit and loss account is £16,945 (2019: (£58,461))

The total Charity pension liability at the balance sheet date is £38,624 (2019: £21,679)

The total Group (gain)/loss charged to the profit and loss account is £66,327 (2019: (£284,219)).

The total Group pension liability at the balance sheet date is £385,456 (2019: £319,129).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

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Notes to the Financial Statements for the Year Ended 31 August 2020

Discount rate (forward rate)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73% Years 11-20: CPI +2.52% reducing linearly to CPI +1.55% by year 21 Years 21+: CPI +1.55%
Pension increases (CPI)	Term dependent rates in line with the difference between the fixed Interest and Index Linked yield curves, less 1.3% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 Valuation

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with smoothing parameter of 8.5, and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2018 Valuation	2017 Valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	2.64%	2.44%
Pensionable salary growth	n/a	n/a

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £15,429 (2019 - £10,348).

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Notes to the Financial Statements for the Year Ended 31 August 2020

16 Funds

Group

Group	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
Unrestricted					
General	3,098,013	5,104,620	(4,790,819)	-	3,411,814
Designated	(319,129)	-	-	(66,327)	(385,456)
Total funds	<u>2,778,884</u>	<u>5,104,620</u>	<u>(4,790,819)</u>	<u>(66,327)</u>	<u>3,026,358</u>
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General	3,177,798	4,424,348	(4,504,133)	-	3,098,013
Designated	(603,348)	-	-	284,219	(319,129)
Total funds	<u>2,574,450</u>	<u>4,424,348</u>	<u>(4,504,133)</u>	<u>284,219</u>	<u>2,778,884</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Charity	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General	2,264,218	9,785	(166,412)	-	2,107,591
Designated	<u>(21,679)</u>	<u>-</u>	<u>-</u>	<u>(16,945)</u>	<u>(38,624)</u>
Total funds	<u>2,242,539</u>	<u>9,785</u>	<u>(166,412)</u>	<u>(16,945)</u>	<u>2,068,967</u>
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2019 £
Unrestricted					
General	2,244,944	330,582	(311,308)	-	2,264,218
Designated	<u>(80,140)</u>	<u>-</u>	<u>-</u>	<u>58,461</u>	<u>(21,679)</u>
Total funds	<u>2,164,804</u>	<u>330,582</u>	<u>(311,308)</u>	<u>58,461</u>	<u>2,242,539</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

17 Analysis of net assets between funds

Group

	Unrestricted funds		Total funds at 31 August 2020 £
	General £	Designated £	
Tangible fixed assets	24,546	-	24,546
Current assets	5,124,880	-	5,124,880
Current liabilities	(1,733,250)	-	(1,733,250)
Provisions	(4,362)	-	(4,362)
Pension scheme liability	-	(385,456)	(385,456)
Total net assets	<u>3,411,814</u>	<u>(385,456)</u>	<u>3,026,358</u>
	Unrestricted funds		Total funds at 31 August 2019 £
	General £	Designated £	
Tangible fixed assets	67,476	-	67,476
Current assets	4,357,690	-	4,357,690
Current liabilities	(1,307,622)	-	(1,307,622)
Provisions	(19,531)	-	(19,531)
Pension scheme liability	-	(319,129)	(319,129)
Total net assets	<u>3,098,013</u>	<u>(319,129)</u>	<u>2,778,884</u>

Northern Consortium

Notes to the Financial Statements for the Year Ended 31 August 2020

Charity

	Unrestricted funds		Total funds
	General	Designated	at 31 August
	£	£	2020
			£
Fixed asset investments	1,256,001	-	1,256,001
Current assets	908,347	-	908,347
Current liabilities	(56,757)	-	(56,757)
Pension scheme liability	-	(38,624)	(38,624)
Total net assets	<u>2,107,591</u>	<u>(38,624)</u>	<u>2,068,967</u>
	Unrestricted funds	Designated	Total funds
	General	£	at 31 August
	£	£	2019
			£
Fixed asset investments	1,256,001	-	1,256,001
Current assets	1,303,503	-	1,303,503
Current liabilities	(295,286)	-	(295,286)
Pension scheme liability	-	(21,679)	(21,679)
Total net assets	<u>2,264,218</u>	<u>(21,679)</u>	<u>2,242,539</u>