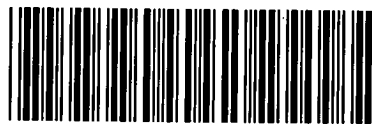


Charity Registration No. 1081184

Company Registration No. 02400056 (England and Wales)

NORTHERN COLLEGE OF ACUPUNCTURE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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NORTHERN COLLEGE OF ACUPUNCTURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Wicklow J R Galloway E C Liu H Thomas N Haines D Jay G Webb	(Appointed 16 July 2020)
Secretary	D Jay	
Charity number	1081184	
Company number	02400056	
Registered office	61 Micklegate York YO1 6LJ	
Auditor	Henton & Co LLP Northgate 118 North Street Leeds West Yorkshire LS2 7PN	
Bankers	Santander plc Bridle Road Bootle L30 4GB	

NORTHERN COLLEGE OF ACUPUNCTURE

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NORTHERN COLLEGE OF ACUPUNCTURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their report and financial statements for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006, "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) and Regulatory advice 9: Accounts direction issued by the Office for Students.

Objectives and activities

The charity's objects are to provide education in the art of acupuncture, traditional Chinese medicine and nutrition and there has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

1) The 2020 intake of students was of:

- 30 for the BSc in Acupuncture
- 20 for the MSc in Nutrition Science and Practice
- 7 for the MSc in Advanced Oriental Medicine (Research and Practice); 2 for the MSc in Advanced Complementary Medicine (Research and Practice); and 2 for the MSc in Advanced Nutrition (Research and Practice).

2) Eleven students graduated in 2021 with the BSc in Acupuncture, three of these with first class honours. Four final year BSc in Acupuncture students are continuing studies delayed by the Covid pandemic. Three students graduated with the MSc in Acupuncture, two of these with distinction. Five students graduated with the MSc in Nutrition Science and Practice. One student graduated with the MSc in Chinese Herbal Medicine, and nine with the Professional Diploma in Chinese Herbal Medicine. One student graduated with the MSc in Advanced Oriental Medicine (Research and Practice), and one with the Postgraduate. One student graduated with the Postgraduate Diploma in Advanced Nutrition (Research and Practice).

3) Rates of students withdrawing, suspending study or splitting one year of modules over two years increased. This was a clear effect of the Covid-19 pandemic.

4) We continued with our successful adaptations to the Covid-19 pandemic. Staff worked from home and all teaching apart from practical skills classes was online. We also ran our nutrition and herbs clinics online. We temporarily closed our acupuncture clinic again in the early months of 2021 and re-opened it in March 2021, following Covid secure guidelines. The clinic re-opened with additional clinic supervisors in place to enable students to catch up on their clinical training, and catch-up practical skills classes also re-commenced following Covid secure guidelines. Our previous experience of home working and online teaching and learning served us well as we made these changes and our students were positive about the success of this response, though many missed the personal contact.

5) We continued our academic enhancement activities, including work on College-wide enhancement themes.

6) We launched our new online Practitioner Hub, providing an online community for our alumni and other practitioners, with CPD courses and the option to join online supervision groups.

NORTHERN COLLEGE OF ACUPUNCTURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7) Our teaching clinics continued to offer a high quality professional service at much reduced rates, both to the local community and, in the case of the online clinics, also to people further afield. Patient surveys and feedback generally demonstrate a high level of satisfaction.

8) We continued to develop our research activity, with a particular focus on the first pilot stage of a major study of acupuncture and nutrition for atrial fibrillation.

9) College staff continued to contribute to the work of our professional bodies and the HE sector in a variety of ways.

10) Staff development activity and research and scholarship activity continued, although reduced due to the pandemic.

11) We recorded 17 completed MSc dissertations. This is a record number in a single year.

12) We successfully formed a new validating partnership with the University College of Osteopathy (UCO), enabling our students to continue to access student loans and providing a supportive partnership with an HE provider that teaches cognate subject areas and understands the particular challenges for small specialist providers.

13) Staff reviewed and updated our statement of the values that underpin the work of the College.

Financial review

We had a surplus of £5,845 in 2020-21, following on from last year when we had a surplus of £91,317. Although our intake of new students was 14% less than initially projected, due to the impact of the pandemic, our overall expenditure was also less than anticipated. We had budgeted cautiously and we made savings in several areas, such as travel and premises costs, due to the pandemic. We budgeted a substantial contingency for possible additional costs due to the pandemic, but in fact we were able to absorb most additional costs. Savings on wages costs, due to government assistance with wages of furloughed staff (mostly clinic staff) during lockdowns, were balanced by additional wages costs for extra clinic supervisors helping our students to catch up on their clinical training when not locked down. We have been able to provide our educational and clinical services while continuing to invest prudently in staff, activities and projects which offer greater autonomy and stability in the future, are expected to benefit our future income, and which will further advance our charitable objectives. At the same time we have been able to protect our minimum reserves, enabling us to face continuing future uncertainties with confidence and protecting the overall financial health of the College.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level of not less than £150,000 each year. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised, or they will be able to decide to close their courses to new students but continue operating while existing students complete their studies. The unrestricted fund balance as at 30 June 2021 was £342,154 (2020: £332,333). Additional reserves are being held for use in projects including supporting students and research projects. The restricted fund balance as at 30 June 2021 was £18,705 (2020: £22,681).

NORTHERN COLLEGE OF ACUPUNCTURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Internal Control

We maintain a "risks and issues register" which is considered by our Boards and Committees regularly through the year, reviewed by the Board of Directors/Trustees, and used to inform future planning in line with our charitable objectives. When a Board or Committee identifies a changed or increased risk, or a new risk, this is escalated to the Board of Directors/Trustees. The register includes a scoring system for the likelihood of risks becoming a reality, the impact of risks if they become a reality, the degree of control we have over the risk, and the possible speed of escalation of the risk. Risks that are covered include business, operational, compliance with law and regulatory bodies, financial, management and governance, and customer service risks.

The duties of the Board of Directors/Trustees include duties to "monitor the professional, commercial and reputational risks facing the College, ensuring that there are effective systems of control and risk management" and to "ensure that the long-term viability of the College is maintained through monitoring the performance of the College, including financial and managerial aspects". To assist in these duties the Board receives reports from the Resources Committee, Principal and Vice Principal at every meeting.

No significant internal control weaknesses or failures have arisen during 2020-21 or since the year end.

Plans for Future Periods

During 2021-22 we will review our strategic plan in light of the changed circumstances. Our overall strategic aims for 2021-2026 are:

- 1) To advance the subject areas and professions in our areas of interest, grow their professionalisation and research base to promote acceptance of our disciplines for the wider public good.
- 2) To provide an inclusive, supportive, high quality, research informed and stimulating learning environment for the diversity of our student population.
- 3) To achieve a stable and sustainable position for the college within the higher education sector.

In support of these aims, our priorities are:

- 1) We will enhance our approach to teaching, learning and student support which engages students and enables their learning and personal growth for their future success.
- 2) We will strengthen our endeavours to underpin subject areas and educational activities with research, by contributing to and steering research initiatives which promote the understanding of our disciplines and evaluate their efficacy, and by developing relevant collaborations in both education and research.
- 3) We will continue to engage with regulatory developments in UK higher education, working with professional and statutory regulatory bodies, pursuing our own degree awarding powers, and achieving a change in our Office for Students status to fee cap provider.
- 4) We will create opportunities for the passion and enthusiasm of our staff to emerge, by continuing and strengthening our commitment to ongoing staff development which supports their professional development, encourages them to work at the College, and enhances students' learning experience.
- 5) We will create staged and sustainable growth for our educational provision and will review our identity to ensure it is fit for the future.
- 6) We will develop our IT infrastructure, ensuring that it meets the needs of all aspects of the College's activity.

NORTHERN COLLEGE OF ACUPUNCTURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Structure, governance and management

The charity is a company limited by guarantee and accordingly has no share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

K Wicklow	(Appointed 16 July 2020)
J R Galloway	
E C Liu	
H Thomas	
N Haines	
D Jay	
M Tempest	(Appointed 16 July 2020 and resigned 21 October 2021)
G Webb	
Dr C E Tune	(Appointed 27 August 2020 and resigned 15 October 2020)
H MacPherson	(Resigned 20 August 2020)

The serving trustees have the power to co opt new trustees. New trustees are assisted through their induction by existing trustees and officials of the charity. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £5 in the event of a winding up.

The duties of the Board of Directors/Trustees are:

- To ensure the College's sustainability by working with the Principal and management team to agree the College's vision/philosophy, and strategic direction.
- To ensure that the vision and ethos of the College are sustained and that the College works to achieve its strategic aims and charitable objectives.
- To ensure that the long-term viability of the College is maintained through monitoring the performance of the College, including financial and managerial aspects.
- To monitor the professional, commercial and reputational risks facing the College, ensuring that there are effective systems of control and risk management.
- To protect the reputation of the College by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.
- To uphold the College's Code of Practice on Freedom of Speech and to ensure that academic staff have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs and privileges they have at the College.
- To receive assurance that academic governance is effective by working with the Academic Board to maintain academic and research standards, ensure enhancement of teaching, learning and assessment, and ensure that academic risks are effectively managed*.
- To promote equality and diversity throughout the institution, including in relation to its own operation.
- To work with the Principal and management team to be assured that effective control and due diligence take place in relation to institutionally significant external activities**.
- To review demands made by the processes of university validation and professional accreditation, assess the resource implications of these demands, and determine what response the College should make.
- To ensure that the College's governance structures and processes are fit for purpose by referencing them against recognised standards of good practice, including the HE Code of Governance.
- To appoint the Principal, support and to advise him/her in delivery of the College's objectives, and terminate his/her contract as appropriate.
- To appoint either two Directors or one Director and one senior member of the College staff to undertake appraisal of the Principal.

NORTHERN COLLEGE OF ACUPUNCTURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

- To receive requests for mediation from staff and implement mediation processes as appropriate, when the College's standard processes (including the "sorting out" process) have been used without achieving a satisfactory outcome.
- To receive appeals at the appeal stage of the staff disciplinary and grievance procedures, and to nominate a Director to decide on the appeal.
- To nominate one or more Director(s) to the Hearing Committee of the appeals stage of the student grievance procedure or of the Student disciplinary procedures, when appropriate.

* Including partnerships and collaboration, recruitment and retention of students, provision of information, quality assurance and research integrity.

** External activities with substantial potential for financial or reputational risk, including fund-raising, donations, corporate sponsored research, subsidiaries, partnerships and other commercial activities.

Auditor

The auditor, Henton & Co LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



H Thomas

Trustee

Dated: 21 October 2021

NORTHERN COLLEGE OF ACUPUNCTURE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2021

The trustees, who are also the directors of Northern College of Acupuncture for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NORTHERN COLLEGE OF ACUPUNCTURE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NORTHERN COLLEGE OF ACUPUNCTURE

Opinion

We have audited the financial statements of Northern College of Acupuncture (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, 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 charity 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 charity'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 statements 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 our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

NORTHERN COLLEGE OF ACUPUNCTURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NORTHERN COLLEGE OF ACUPUNCTURE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- The laws and regulations identified as significant were those produced by the Office for Students and the HE Code of Governance. Enquiries were made by the auditor to find any instances of non-compliance. No items were found,
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NORTHERN COLLEGE OF ACUPUNCTURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NORTHERN COLLEGE OF ACUPUNCTURE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Hart (Senior Statutory Auditor)
for and on behalf of Henton & Co LLP

Chartered Accountants

Statutory Auditor

Northgate

118 North Street

Leeds

West Yorkshire

LS2 7PN

15/11/2021

NORTHERN COLLEGE OF ACUPUNCTURE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	6,929	-	6,929	15,812	-	15,812
Charitable activities	4	1,102,959	-	1,102,959	1,159,885	-	1,159,885
Investments	5	1,022	-	1,022	7,417	-	7,417
Other income	7	15,314	-	15,314	-	-	-
Total income		1,126,224	-	1,126,224	1,183,114	-	1,183,114
<u>Expenditure on:</u>							
Charitable activities	8	1,116,403	3,976	1,120,379	1,091,797	-	1,091,797
Net income/(expenditure) for the year/ Net movement in funds		9,821	(3,976)	5,845	91,317	-	91,317
Fund balances at 1 July 2020		332,333	22,681	355,014	241,016	22,681	263,697
Fund balances at 30 June 2021		342,154	18,705	360,859	332,333	22,681	355,014

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

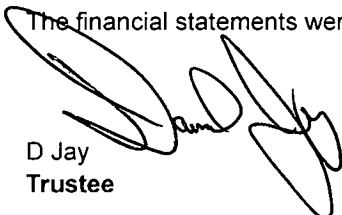
NORTHERN COLLEGE OF ACUPUNCTURE

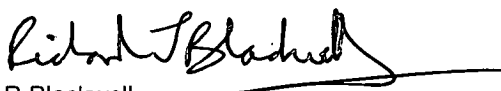
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12		1,954		3,909
Tangible assets	13		17,739		17,941
			<u>19,693</u>		<u>21,850</u>
Current assets					
Stocks	14	6,127		6,127	
Debtors	15	87,366		127,206	
Cash at bank and in hand		482,166		400,303	
		<u>575,659</u>		<u>533,636</u>	
Creditors: amounts falling due within one year	16	<u>(234,493)</u>		<u>(200,472)</u>	
Net current assets			341,166		333,164
Total assets less current liabilities			<u>360,859</u>		<u>355,014</u>
Income funds					
Restricted funds	17		18,705		22,681
Unrestricted funds			342,154		332,333
			<u>360,859</u>		<u>355,014</u>

The financial statements were approved by the Trustees on 21 October 2021


D Jay
Trustee


R Blackwell
Accountable Officer

Company Registration No. 02400056

NORTHERN COLLEGE OF ACUPUNCTURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21		86,451		65,225
Investing activities					
Purchase of tangible fixed assets		(5,610)		(1,940)	
Investment income received		1,022		7,417	
Net cash (used in)/generated from investing activities			(4,588)		5,477
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			81,863		70,702
Cash and cash equivalents at beginning of year			400,303		329,601
Cash and cash equivalents at end of year			482,166		400,303

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

Northern College of Acupuncture is a private company limited by guarantee incorporated in England and Wales. The registered office is 61 Micklegate, York, YO1 6LJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the the Companies Act 2006, and "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) and Regulatory advice 9: Accounts direction issued by the Office for Students. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants for immediate expenditure are accounted for when they become receivable. Grants received for specific purposes are treated as restricted funds. Grants which are received for future accounting periods are deferred and recognised in those periods.

Rent is recognised when receivable by the charity.

Interest is recognised when receivable by the charity.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred and is classified under the headings of the statement of financial activities to which it relates:

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Database	4 years
----------	---------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15%/20%/25% reducing balance
-----------------------	------------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Critical accounting estimates and judgements

In the application of the charity'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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Government Covid-19 grants	<u>6,929</u>	<u>15,812</u>

There are no unfulfilled conditions or other contingencies attached to these grants. The charity did not benefit directly from any other forms of government assistance.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

4 Charitable activities

	Teaching fees	Clinic receipts	Sales of books	Total	Teaching fees	Clinic receipts	Sales of books	Total
	2021	2021	2021	2021	2020	2020	2020	2020
	£	£	£	£	£	£	£	£
Sales within charitable activities	1,061,844	39,856	1,259	1,102,959	1,094,447	63,173	2,265	1,159,885

Note on grant and fee income:

	2020-21	2019-20
Grant income from the OfS	0	0
Grant income from other bodies	0	0
Fee income for taught awards (exclusive of VAT)	£1,046,999	£1,081,297
Fee income for research awards (exclusive of VAT)	N/A	N/A
Fee income from non-qualifying courses (exclusive of VAT)	£14,845	£13,150
Total grant and fee income	£1,061,844	£1,094,447

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	584	6,524
Interest receivable	438	893
	<u>1,022</u>	<u>7,417</u>

6 Details of grant and fee income

	2021	2020
	£	£
The source of grants and fee income is as follows:		
Fee income for taught awards	<u>1,061,844</u>	<u>1,094,447</u>
Total grant and fee income	<u>1,061,844</u>	<u>1,094,447</u>

7 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Other income	<u>15,314</u>	<u>-</u>

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Charitable activities

	College and clinic 2021 £	College and clinic 2020 £
Staff costs	516,974	461,719
Depreciation and impairment	7,767	7,624
Equipment and disposables	3	4
Needles and moxa	9,286	5,553
Laundry and sharpz	732	2,658
Herbs	7,362	31,297
Lecturers fees	197,965	167,832
Lecturers other	12,328	30,486
University registration fees	95,775	105,530
Teaching aids	1,698	4,706
Accreditation and validation	50,740	41,801
Library and e-learning	13,597	23,925
Books resale	-	519
Miscellaneous	-	(8)
Research	5,364	-
Other charitable expenditure	197,368	204,751
	<u>1,116,959</u>	<u>1,088,397</u>
Share of governance costs (see note 9)	3,420	3,400
	<u>1,120,379</u>	<u>1,091,797</u>
Analysis by fund		
Unrestricted funds	1,116,403	1,091,797
Restricted funds	3,976	-
	<u>1,120,379</u>	<u>1,091,797</u>

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	3,420	3,420	-	3,400	3,400
	-	3,420	3,420	-	3,400	3,400
Analysed between Charitable activities	-	3,420	3,420	-	3,400	3,400

Governance costs includes payments to the auditors of £3,420 (2020- £3,400) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No trustee expenses have been incurred by the charity.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching	14	20
Administration	13	6
	<u>27</u>	<u>26</u>

Employment costs

	2021 £	2020 £
Wages and salaries	474,338	424,638
Social security costs	33,746	29,912
Other pension costs	8,890	7,169
	<u>516,974</u>	<u>461,719</u>

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Employees

(Continued)

No employees received employee benefits of more than £60,000.

The head of the College received a basic salary of £57,508 (2020 : £57,508) and pension contributions of £1,315 (2020 : £1,918).

The Principal's basic salary is 1.9 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The Principal's total remuneration is 1.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the charity to its staff.

There were no payments to the Principal in lieu of pension contributions, of dividends, of performance-related pay or other bonuses, and no other taxable or non-taxable benefits or other remuneration. There were no salary sacrifice arrangements. All pension contributions are identified above.

Justification of the Principal's remuneration

The College is a small HE provider, with around 200 students, and is also a registered charity. As is usual for small providers, the Principal's key tasks cover a wide range from the strategic to the operational, and they include financial, professional and legal responsibilities as well as involvement in marketing and managing the senior academic team.

The Principal has been in post for 22 years. Under his leadership the College has expanded its provision from one MSc course to five MSc courses and one BSc course, has survived substantial economic challenges, especially the 2008 banking crisis, has built up its financial reserves, and enhanced its reputation as a quality provider with a strong commitment to research. In recent years the College has had successful reports from the Quality Assurance Agency for HE and been registered with the Office for Students. In the National Student Survey the College consistently achieves high scores for overall student satisfaction and generally scores which are above the sector averages. Recruitment of new undergraduate students in 2021 was strong, despite the impact of the Covid-19 pandemic.

The Principal's performance is judged via an annual performance review conducted by two members of the Board of Directors/Trustees, and on an ongoing basis at regular meetings of the Board of Directors/Trustees.

Compensation for loss of office:

There were no payments as compensation for loss of office to any staff member during the year.

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Intangible fixed assets

	Database £
Cost	
At 1 July 2020 and 30 June 2021	7,819
Amortisation and impairment	
At 1 July 2020	3,910
Amortisation charged for the year	1,955
At 30 June 2021	5,865
Carrying amount	
At 30 June 2021	1,954
At 30 June 2020	3,909

13 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 July 2020	118,157
Additions	5,610
At 30 June 2021	123,767
Depreciation and impairment	
At 1 July 2020	100,216
Depreciation charged in the year	5,812
At 30 June 2021	106,028
Carrying amount	
At 30 June 2021	17,739
At 30 June 2020	17,941

14 Stocks

	2021 £	2020 £
Raw materials and consumables	6,127	6,127

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	44,776	107,802
Other debtors	25,006	721
Prepayments and accrued income	17,584	18,683
	<u>87,366</u>	<u>127,206</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	9,548	7,932
Trade creditors	44,757	31,878
Other creditors	2,536	193
Accruals and deferred income	177,652	160,469
	<u>234,493</u>	<u>200,472</u>

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 July 2019 £	Incoming resources £	Balance at 1 July 2020 £	Resources expended £	Balance at 30 June 2021 £
Supporting students	18,705	-	18,705	-	18,705
Research	3,976	-	3,976	(3,976)	-
	<u>22,681</u>	<u>-</u>	<u>22,681</u>	<u>(3,976)</u>	<u>18,705</u>

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 30 June 2021 are represented by:						
Intangible fixed assets	1,954	-	1,954	3,909	-	3,909
Tangible assets	17,739	-	17,739	17,941	-	17,941
Current assets/ (liabilities)	322,461	18,705	341,166	310,483	22,681	333,164
	<u>342,154</u>	<u>18,705</u>	<u>360,859</u>	<u>332,333</u>	<u>22,681</u>	<u>355,014</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	45,000	50,000
Between two and five years	210,000	-
In over five years	220,000	-
	<u>475,000</u>	<u>50,000</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

21 Cash generated from operations

	2021 £	2020 £
Surplus for the year	5,845	91,317
Adjustments for:		
Investment income recognised in statement of financial activities	(1,022)	(7,417)
Depreciation and impairment of tangible fixed assets	7,767	7,624
Movements in working capital:		
Decrease/(increase) in debtors	39,840	(83,461)
Increase in creditors	34,021	57,162
Cash generated from operations	<u>86,451</u>	<u>65,225</u>

NORTHERN COLLEGE OF ACUPUNCTURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

22 Analysis of changes in net funds

The charity had no debt during the year.