

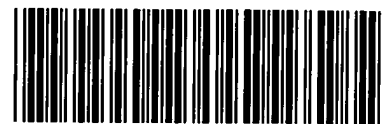
Northern Skills Group Business Services Limited

Annual report and financial statements

Registered number 02088545

Year ended 31 July 2022

SATURDAY



ABVP2Z0Z

A17

21/01/2023

#103

COMPANIES HOUSE

Contents

Directors' report	3
Statement of director's responsibilities in respect of the Directors' Report and the financial statements	5
Independent auditor's report to the members of Northern Skills Group Business Services Limited	6
Profit and Loss Account and Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes	13 - 22

Directors' Report

The directors present their annual report and the audited financial statements for year ended 31 July 2022.

On 1 August 2016 Northern Skills Group Business Services Limited was acquired by Middlesbrough College who own 100% of the share capital. The company is a wholly owned subsidiary of Middlesbrough College and as such its trading results are included in the College's group accounts.

Principal activities

The principal activity of the company is the provision of business support and apprenticeship training services to Middlesbrough College.

Business review

During the period, the Company continued to provide business support and apprenticeships training services to Middlesbrough College.

Directors

The directors who held office during the period were as follows:

R Davies
Z Lewis
M Pavlou

Principal risks and uncertainties

The College has created new staff terms and conditions in order to ensure efficient operation of educational activities in a competitive and uncertain climate. Staff employed on these terms and conditions are employed by the company and recharged to the associated service or delivery areas within the College Group structure.

The company reports to and is held accountable by the Board of Governors of Middlesbrough College as part of the College's governance arrangements.

Gift Aid

The company has accrued gift aid payments of £0 (2021: £4,610) during the year, in line with the memorandum of understanding between the company and its parent undertaking.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor of these financial statements are Mazars LLP.

Disabled persons

The company, as a subsidiary of Middlesbrough College, is committed to providing an environment in which there is equality of opportunity for all members of its community and visitors. Our commitment for equality, diversity and inclusion ensures that all who work at the company are treated fairly in response to the

Equality Act 2010. It also aims to promote all other strands of equality and human rights. The Disability Statement is available online.

The company proudly promotes itself as an equal opportunities employer and acknowledges the diverse needs of its employees and the community it serves. The company, as a subsidiary of the College, holds Disability Confident Leadership status. The company values diversity and inclusion by adopting a positive and proactive approach to support employees and future job applicants with disabilities or known health issues and promotes the Disability Confident Scheme in our supply chain.

Post balance sheet events

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions with immediate effect, and this prompted the Department for Education to introduce some new rules for colleges which will take effect during 2022/23.

The Company considers this announcement to be a non-adjusting post balance sheet event and is evaluating the implications of the announcement and the potential new rules but do not consider that they will have an impact on these financial statements.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By order of the board



Zoe A Lewis
Director

Dock Street
Middlesbrough
TS2 1AD

15 December 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN SKILLS GROUP BUSINESS SERVICES LIMITED.

Opinion

We have audited the financial statements of Northern Skills Group Business Services Limited (the 'company') for the year ended 31 July 2022 which comprise the Profit and Loss Account and other Comprehensive Income Statement, the Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 July 2022 and of its result 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 directors 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 the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

David Hoose

David Hoose (Dec 16, 2022 14:10 GMT)

David Hoose (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

Dec 16, 2022

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 July 2022

		Year ended 31 July 2022	Year ended 31 July 2021
	Note	£	£
Turnover	2	5,114,438	3,760,214
Cost of Sales		(4,954,319)	(3,642,662)
Gross profit		160,119	117,552
Administrative expenses		(160,119)	(151,057)
Operating profit		-	(33,505)
Other income	3	-	33,505
Profit before taxation	2 - 5	-	-
Tax on profit	6	218	-
Profit for the financial year		218	-
Other comprehensive income		-	-
Total comprehensive income for the year		218	-

During the period, the Company continued to provide its services to the College.

Balance Sheet
at 31 July 2022

	Note	31 July 2022		31 July 2021	
		£	£	£	£
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		-		322
			-		322
Current assets					
Debtors	9	383		114,548	
Cash at bank and in hand		291,148		55,506	
		291,531		170,054	
Creditors: amounts falling due within one year	10	(220,738)		(99,583)	
Net current assets			70,793		70,471
Total assets less current liabilities	11		70,793		70,793
Provisions for liabilities					
Deferred tax liability		-		(218)	
			-		(218)
Net assets			70,793		70,575
Capital and reserves					
Called up share capital	12	2		2	
Profit and loss account		70,791		70,573	
Shareholders' funds			70,793		70,575

The financial statements on pages 10 to 22 have been prepared in accordance with the provisions applicable relating to small companies regime and were approved by the Board of Directors and authorised for issue on 15 December 2022 and are signed on its behalf by:



Mrs Zoe Lewis
Director

Registered Number: 02088545

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 August 2020	2	75,183	75,185
Total comprehensive income for the period			
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Transactions with owners, recorded directly in equity			
Gift aid payment	-	(4,610)	(4,610)
Total contributions by and distributions to owners	-	-	-
Balance at 31 July 2021	2	70,573	70,575
Balance at 1 August 2021	2	70,573	70,575
Total comprehensive income for the period			
Profit for the period	-	218	218
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	218	218
Transactions with owners, recorded directly in equity			
Gift aid payment			
Total contributions by and distributions to owners	-	-	-
Balance at 31 July 2022	2	70,791	70,793

Notes

(forming part of the financial statements)

1 Accounting policies

Company information

Northern Skills Group Business Services Limited is a private company, limited by shares, registered in England and Wales. The registered office is Dock Street, Middlesbrough, TS2 1AD.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1. The financial statements have been prepared under the historical cost convention.

The Company's ultimate parent undertaking, Middlesbrough College includes the Company in its consolidated financial statements. The consolidated financial statements of Middlesbrough College are prepared in accordance with FRS 102 and the Further and Higher Education SORP 2019, are available to the public and may be obtained from the Clerk to the Corporation, The Further Education Corporation of Middlesbrough College, Dock Street, Middlesbrough, TS2 1AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Middlesbrough College include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily available 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparation of the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover is recognised at the time training is delivered and in the case of funded training when the delivery has been verified by the funder.

Intangible fixed assets

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

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:

Software: 3-5 years straight line

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible assets other than leasehold land over their estimated useful economic lives. The rates applicable are:

Land and buildings leasehold : Straight line over the life of the lease up to a maximum of 50 years

Fixtures, fittings and equipment Straight line over 3 to 5 years

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous items are then derecognised. All other costs of repairs and maintenance are charged to profit or loss as incurred.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its fixed 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Taxation

Current tax

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to another comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Notes (continued)

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

Agency arrangements

The company acts as an agent in the collection and payment of employer age grants for 16 to 18 year old apprentices and also the collection and payment of employer incentives to apprentice employers. Related payments received from the main funding body and subsequent disbursements to employers are excluded from the income statement and are shown separately in note 14.

Creditors

Short term creditors are measured at the transaction price.

Notes (continued)

2 Turnover

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
<i>By activity</i>		
Provision of services to parent undertaking	5,114,438	3,760,214
	<hr/> 5,114,438	<hr/> 3,760,214
<i>By geographical market</i>		
United Kingdom	5,114,438	3,760,214
	<hr/> <hr/>	<hr/> <hr/>

3 Other income

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Job retention scheme grant	-	33,505
	<hr/> -	<hr/> 33,505

4 Expenses and auditor's remuneration

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Depreciation of tangible assets	322	481
	<hr/> 322	<hr/> 481
	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Auditor's remuneration		
Audit of these financial statements	8,320	5,750
	<hr/> 8,320	<hr/> 5,750
Amounts received by the auditor and their associates in respect of:		
Other services related to taxation	2,611	1,914
	<hr/> 2,611	<hr/> 1,914

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Year ended 31 July 2022	Year ended 31 July 2021
Teaching and learning	70	75
Support staff	188	123

The aggregate payroll costs of these persons were as follows:

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Wages and salaries	4,464,485	3,277,310
Social security costs	342,478	250,498
Contributions to defined contribution plans	144,981	113,691
Restructuring costs – Contractual	2,375	1,163
	4,954,319	3,642,662

No directors received any remuneration from the company in respect of their services provided during the period (period ending 31 July 2021: nil).

During the period no directors (period ending 31 July 2021: nil) participated in the defined contribution pension scheme.

Notes (continued)

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
<i>Current tax</i>		
Current tax on income for the period	-	-
Group relief payable	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax (see note 11)</i>		
Origination and reversal of timing differences	(1,152)	-
Adjustments in respect of prior periods	934	-
	<hr/>	<hr/>
Total deferred tax credit	(218)	-
Tax on profit on ordinary activities	(218)	-

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Profit for the financial year	218	-
Total tax expense/(credit)	-	-
	<hr/>	<hr/>
Profit excluding taxation	218	-
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2019: 19%)	-	-
Adjustments to tax charge in respect of previous periods – deferred tax	934	-
Reduction in tax rate on deferred tax balances	-	(1,247)
Deferred tax not recognised	(1,152)	2,122
Current tax deduction in respect of gift aid	-	(876)
Unexplained difference	-	1
	<hr/>	<hr/>
Total tax expense/(credit) included in profit or loss	(218)	-

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Notes (continued)

7 Intangible assets and goodwill

	£
Cost	
Balance as at 31 July 2021 and 31 July 2022	39,852
	<hr/>
Amortisation and impairment	
Balance at 31 July 2021 and 31 July 2022	39,852
	<hr/>
Net book value	
At 31 July 2021	-
	<hr/>
At 31 July 2022	-
	<hr/>

8 Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
Cost		
Balance at 1 August 2021	648,006	648,006
	<hr/>	<hr/>
Balance at 31 July 2022	648,006	648,006
	<hr/>	<hr/>
Depreciation and impairment		
Balance at 1 August 2021	647,684	647,684
Depreciation charge for the period	322	322
	<hr/>	<hr/>
Balance at 31 July 2022	648,006	648,006
	<hr/>	<hr/>
Net book value		
At 1 August 2021	322	322
	<hr/>	<hr/>
At 31 July 2022	-	-
	<hr/>	<hr/>

Notes (continued)

9 Debtors

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Amounts owed by group undertakings	-	114,467
Trade debtors	-	-
Other debtors	383	81
	<u>383</u>	<u>114,548</u>
Due within one year	383	114,548
Due after one year	-	-
	<u>383</u>	<u>114,548</u>

10 Creditors

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Trade creditors	174	-
Accruals and deferred income	499	-
Amounts owed to group undertakings	97,256	-
Taxation and social security	120,554	78,075
Other creditors	2,255	21,508
	<u>220,738</u>	<u>99,583</u>

11 Deferred tax liabilities

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Accelerated capital allowances	-	218
	<u>-</u>	<u>218</u>

Notes (continued)

12 Capital and reserves

Share capital

31 July 2022

Number of shares

On issue at 31 July – fully paid

2

31 July 2022
£

31 July 2021
£

Allotted, called up and fully paid

2 ordinary shares of £1 each

2

2

Shares classified in shareholder's funds

2

2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Related party transactions

The Company is a wholly owned subsidiary of Middlesbrough College and as such has taken advantage of the exemption permitted by FRS102 Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

14 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge of £145k (2021: £114k) represents contributions payable by the Company to the fund. Contributions totalling £27k (2021: £21k) were payable to the fund at the balance sheet date and are included in creditors.

15 Operating leases

Non-cancellable operating lease rentals are payables as follows:

Year ended
31 July 2022
£

Year ended
31 July 2021
£

Less than one year

101,533

95,598

Between one and five years

161,098

265,462

Five years or more

-

-

262,631

361,060

During the period £107,953 was recognised in the profit and loss account in respect of operating leases (2021: £101,430)

16 Amounts disbursed as agent

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Funding body grants – employer age grants & incentives	-	-
Disbursed to employers	-	-
	<hr/>	<hr/>
Balance unspent as at the year end	-	-
	<hr/>	<hr/>

17 Post balance sheet events

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions with immediate effect, and this prompted the Department for Education to introduce some new rules for colleges which will take effect during 2022/23.

The Company considers this announcement to be a non-adjusting post balance sheet event and is evaluating the implications of the announcement and the potential new rules but do not consider that they will have an impact on these financial statements.