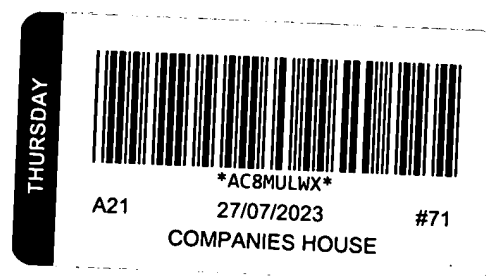




The University of Northampton Enterprises Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

COMPANY NUMBER: 03092244



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Directors and Professional Advisors for the Year Ended 31 July 2022

Directors

Dr Andrew Gough

Paul Minton

Karen Jones

Independent Auditor

BDO LLP

Two Snowhill

Birmingham

B4 6GA

Bankers

Lloyds Banking Group

Black Horse House

Progression Centre

42 Mark Road

Hemel Hempstead

Hertfordshire

HP2 7DE

Company Address

The University of Northampton Enterprises Limited

Vice Chancellors Office

University of Northampton

University Drive

Northampton

NN1 5PH

Strategic Report for the Year Ended 31 July 2022

The directors present the strategic report and audited financial statements for the year ended 31 July 2022 and report thereon. The directors and professional advisors' information on page 2 forms part of this report.

Review of the results for the Year and Future Outlook

The Company's business continued during the year operating under these main trading brands:

- 1st Degree Facilities – providing a facilities and estates management service to the University and its subsidiaries.
- Sunley Hotel – provision of hotel facilities in a dedicated building.
- Unitemps – a recruitment agency for students and external workers which provides temporary staff to the University and external employees. This is operated as a franchised brand from University of Warwick, purchased in 2014.
- Radio Station – provision of a community radio station service to Northampton.

The University has adopted a living with COVID-19 pandemic strategy over the past 12 months and continues to have a well-developed approach to incident management, which was implemented for the crisis. Despite the many challenges presented during the pandemic, the senior executive team have executed a clear strategy to enable the University and its subsidiaries to carry on providing services while protecting our students, customers and staff.

Each of the different trading brands has dedicated staff and each are subject to performance management via appropriate business budgets and financial targets. Budgetary targets were exceeded by Unitemps, the Radio Station and Sunley Hotel.

Sunley Hotel recorded a £118k profit (2020/21: £62k loss) showing the resilience of the Hotel market to bounce back after COVID lockdowns and demonstrating the Universities ability to operate the Hotel internally which had previously made losses under CH&Co a third-party contractor. Unitemps recorded a £254k (2020/21: £92k) profit with strong growth in the sales to 1st Degree although these internal sales are excluded in the financial accounts the impact has enabled 1st Degree to operate a full academic year without COVID lockdowns with 1st Degree benefitting from this service reducing the use of external recruitment companies. This combined to deliver an overall operating profit of £497k (2020/21: £145k) which includes a £195k LGPS charge (2020/21: £213k).

Details of the results for the year are given on page 9 of the financial statements.

Strategic Report for the Year Ended 31 July 2022 (continued)

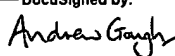
The directors are satisfied with the company's position and performance. A contract exists between the Company and the University of Northampton, the company is contracted to provide facilities management services to the University. The facilities management provision generates income of £7,456k (2020/21: £7,203k), the directors consider the company financially sustainable and believe it will continue as a going concern.

The company also holds a 50% investment in the share capital of Uno Buses (Northampton) Limited, they provide bus services for The University of Northampton students and staff between campuses and also commercial routes for the wider public in Northamptonshire.

Principal risks and uncertainties

The main risk is the continuing provision of services to the University and subsidiary companies via 1st Degree Facilities and Unitemps employment agency including its ability to become self-sustaining via external contracts. The Strategic Business Unit (SBU) is now operational and is tasked with specifically looking at generating increased activity with external clients to help the growth of external income. Uno Buses (Northampton) Limited investment is to be continually monitored to ensure a return on the investment can be realised in the future.

Approved by the Board and signed on its behalf by:

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Dr Andrew Gough

Director

Date: 26 July 2023

Directors' Report for the Year Ended 31 July 2022

Incorporation

The company is registered in England and Wales under the company number 03092244.

The company is a wholly owned subsidiary of The University of Northampton Higher Education Corporation ('The University').

Directors and Officers

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Dr Andrew Gough

Paul Minton

Terry Neville (Resigned 31 July 2022)

Karen Jones (Appointed 10 August 2022)

The above directors had no interest in the share capital of the company. No director has been granted a right to subscribe for additional shares or debentures. In accordance with the Articles of Association of the Company, the directors are required to rotate.

Principal Activities

During the year, the principal activity of the company was the provision of facilities management services and catering, hotel and conferencing services. The company also runs an employment agency and a radio station. The directors expect the businesses to continue to develop and to trade profitably during the next year. Each brand is tasked with operating at a minimum break-even position and to grow profitability year on year to enable the company to stand alone as a profit-making entity.

Significant Events since the Balance Sheet Date

The directors do not consider that any event since the balance sheet date significantly affects the Company's financial position.

Qualified Charitable Donation

A charitable donation of £280,041 (2020/21: £38,153) was made to the parent company during the year. The directors recommend that no other dividends be paid for the year (2020/21: £nil).

The University of Northampton Enterprises Limited
Company Number: 03092244

Directors' Report for the Year Ended 31 July 2022 (continued)

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2020/21: £nil).

Research and Development

The Company does not undertake any research and development activities.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 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 company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report for the Year Ended 31 July 2022 (continued)

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

Going Concern

See the policy note 1.2 on pages 17 – 18 for detailed report.

Directors' third – party indemnities

The company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Independent Auditors

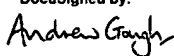
A resolution for the re-appointment of BDO LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Statement of disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 2, confirms the following:

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

By order of the Board.

DocuSigned by:

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Dr Andrew Gough, Director - Date: 26 July 2023

University of Northampton Enterprises Limited
Vice Chancellors Office, University of Northampton
University Drive
Northampton, NN1 5PH

The University of Northampton Enterprises Limited
Company Number: 03092244

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited

Opinion on the financial statements

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 profit 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.

We have audited the financial statements of The University of Northampton Enterprises Limited ("the Company") for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited (continued)

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 Directors 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.

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.

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

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

In the 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 Strategic Report or 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

The University of Northampton Enterprises Limited
Company Number: 03092244

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We made enquiries of management, the Audit Committee and the Directors. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to Companies Act 2006, UK GAAP, employment law and data protection.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited (continued)

Audit response to risks identified

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- Discussions with management, the Audit Committee and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters;
- Challenging assumptions made by management in their significant accounting estimates; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journals entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Independent Auditor's Report to the Members of The University of Northampton Enterprises Limited (continued)

Use of our 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.

DocuSigned by:
Kyla Bellingall
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Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date: 26 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended 31 July 2022

	Note	2022	2021
		£	£
Turnover	3	10,699,655	10,218,485
Cost of sales		(10,202,540)	(10,073,138)
Operating profit	2	497,115	145,347
Interest Payable		-	(6,000)
Interest receivable and similar income		2,000	-
Profit		499,115	139,347
Qualifying charitable donation	5	-	(38,153)
Profit before taxation		499,115	101,194
Tax on Profit	4	(5,750)	-
Profit for the financial year		493,365	101,194
Actuarial gain in respect of pension schemes	14	2,022,000	709,000
Restriction of pension asset recognised	14	(1,339,000)	-
Total comprehensive income for the year		1,176,365	810,194

All the Company's activities consist wholly of continuing activities.

Statement of Changes in Equity for the Year Ended 31 July 2022

	Share Capital	Profit and loss account	Total Shareholders' funds
	£	£	£
At 01 August 2020	100	416,592	416,692
Profit for the year	-	101,194	101,194
Actuarial Gain	-	709,000	709,000
Total comprehensive income	-	810,194	810,194
Transaction with owners recorded directly in equity			
Qualifying charitable donation	-	-	-
At 31 July 2021	100	1,226,786	1,226,886
Profit for the year	-	493,365	493,365
Actuarial Gain	-	683,000	683,000
Deferred tax on actuarial gain	-	(170,750)	(170,750)
Total comprehensive income	-	1,005,615	1,005,615
Transaction with owners recorded directly in equity			
Qualifying charitable donation	-	(280,041)	(280,041)
At 31 July 2022	100	1,952,360	1,952,460

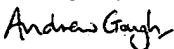
Called up share capital represents the nominal value of shares that have been issued.

The Statement of Comprehensive Income includes all current and prior period retained profit and losses.

Balance Sheet as at 31 July 2022

	Note	2022	2021
		£	£
Fixed Assets			
Tangible Assets	7	32,842	16,848
Investments	8	75,001	75,001
		107,843	91,849
Current Assets			
Debtors: amounts due within one year	9	1,351,415	1,405,342
Cash at bank and in hand		589,984	173,197
		1,941,399	1,578,539
Creditors: amounts falling due within one year	10	(626,282)	(659,502)
Net current assets		1,315,117	919,037
Total assets less current liabilities		1,422,960	1,010,886
Provisions for liabilities			
Deferred Taxation Liability	11	(176,500)	-
Defined benefit pension scheme asset	13	706,000	216,000
Net assets		1,952,460	1,226,886
Capital and Reserves			
Called up share capital	12	100	100
Profit and loss account		1,952,360	1,226,786
Total Shareholders' funds		1,952,460	1,226,886

The financial statements on pages 14 to 33 were approved by the Board of Directors and signed on their behalf by and on: 26 July 2023

DocuSigned by:

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Dr Andrew Gough, Director

Date: 26 July 2023

The University of Northampton Enterprises Limited
 Company Number: 03092244

Notes to the Financial Statements for the Year Ended 31 July 2022

1.0 Statement of Principal Accounting Policies for the Year Ended 31 July 2022

1.1 General Information

The University of Northampton Enterprises Limited principal activity was the provision of facilities management services and conferencing services. The company also runs an employment agency, a hotel and a radio station.

The company is a private company limited by shares and is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Vice Chancellor's Office, University Drive, Northampton, NN1 5PH.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Going Concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis for preparing the financial statements, the Directors have considered the Company's principal risks and uncertainties in the context of the current operating environment.

The Company has prepared a number of cash flow forecasts for the period to 31 July 2024, being a period of at least 12 months from the approval of these financial statements.

A contract exists between the Company and the University of Northampton where the Company is contracted to provide facilities management services to the University. The facilities management provision generates income of £7,456k (2020/21: £7,203k) which equates to c70% of the Company's turnover. The cash flow forecasts prepared by the Directors for the going concern period include both trade with and without the existing facilities management contract with the University. The cash flow forecasts in both scenarios demonstrate that the Company is financially sustainable and can continue to trade as a going concern for a period of at least 12 months from the approval of these financial statements.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

The University currently transfers funds as required to the Company for facilities management services to ensure the company has sufficient funds in their bank account to operate, but the cash flow forecasts which are reliant solely on third party income demonstrate that there would be no requirements of funds from the University other than to settle their outstanding debt as shown in the balance sheet.

Conclusion – in relation to going concern

As set out above, the Board of Directors has concluded that there is reasonable expectation that the Company has adequate resources to settle its obligations as they fall due and to continue in operational existence for the going concern period being a period of at least 12 months from the date of approval of these financial statements. Therefore, the directors of the Company consider it appropriate for the financial statements to be prepared on a going concern basis.

1.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemptions:

- i. from preparing of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, The University of Northampton, includes the company's cash flows in its own consolidated financial statements;
- ii. from disclosing the company key management personnel compensation, exemptions by FRS 102 paragraph 33.7; and
- iii. from disclosure of basic and non-basic financial instruments.

1.4 Turnover and expenditure

Turnover represents a mixture of charges to group companies and external customers for services delivered exclusive of Value Added Tax and trade discounts. The services delivered include catering, facilities and estates management, Unitemps employment services and a community radio service.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

Income from the sale of services is credited to the profit and loss account when the services are supplied to the customer, or contract terms have been satisfied. Expenditure is recorded in line with United Kingdom Accounting Standards on an accrual's basis.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight-line basis.

Depreciation is provided on the following basis:

Furniture, fixtures & fittings and equipment	5 - 8 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.7 Qualifying Charitable Donations

The company is a subsidiary of a charitable higher education institution and make qualifying charitable donations of an amount equal to taxable profits to its parent entity either within the year or within nine months of the year ended in each financial year. As these amounts represent distributions they are presented in the Statement of Changes in Equity. This distribution will be presented in the financial statements of the period in which the distribution is paid.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

1.8 Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

No provision has been made for deferred tax on the grounds that the company transfers its distributable taxable profits by making a qualifying charitable donation to the University and, therefore, no deferred tax liability will be realised in the company. In the event of the company recording a pension liability a deferred tax asset would be realised in the financial statements.

1.9 Investments

Investments in jointly controlled operations are measured at cost less accumulated impairment.

1.10 Accounting for retirement benefits

The company contributes to the Local Government Superannuation Scheme (LGPS) a defined benefit scheme which is contracted out of the Second State Pension (S2P).

The LGPS is a defined benefit scheme, the assets of which are held separately from those of the University in independently administered funds. Calculations for the obligation are calculated by a qualified actuary.

Pension scheme assets are measured using market value and are valued at bid price. Pension scheme liabilities are measured using the projected credit unit method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other income. Actuarial gains and losses are recognised in other comprehensive income.

Pension scheme surplus, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The company also operates a NEST (National Employment Savings Trust), and Scottish Life defined contribution pension schemes. Obligations for contributions are recognised as an expense in the statement of comprehensive income in the period during which services are rendered by the employees.

1.11 Critical judgements and significant estimates

Management are required to exercise judgement in the process of applying the company accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes to these assumptions, which are disclosed in note 13, will impact the carrying amount of the pension.

Recoverability of debtors

Debtors are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such differences will impact the carrying value of debtors and the charge in the statement of comprehensive income.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

Depreciation and residual values

Management have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives, and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2.0 Operating Profit

	2022	2021
	£	£
Operating Profit is stated after charging:		
Auditors' remuneration in respect of the audit of the company's financial statements (exclusive of VAT)	16,400	14,000
Depreciation	9,236	7,350

3.0 Turnover

Turnover, is analysed by category, in relation to its different operations, as follows:

	2022	2021
	£	£
1 st Degree Facilities	7,455,880	7,202,999
Unitemps Employment Agency	1,389,165	1,382,125
The University of Northampton Uno Bus Service	1,315,000	1,326,000
The University of Northampton Radio Station Service	70,332	53,272
Sunley Hotel	469,278	209,804
Waterside Bar & Restaurant	-	44,285
	10,699,655	10,218,485

The Waterside Bar and restaurant transferred to the University on 01 August 2021 with 1st Degree providing the staffing consistent with the other catering outlets staffed by 1st Degree. The Unitemps figures have been adjusted for any internal sales within the company.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

4.0 Taxation

Recognised in the Statement of Comprehensive Income	2022	2021
	£	£
Current tax expense	-	-
Deferred tax expense	(5,750)	-
	(5,750)	-

Deferred tax

There is £176,500 (2020/21: £Nil) of deferred tax relating to the pension asset recognised.

Current tax reconciliation	2022	2021
	£	£
Profit for the year	499,115	101,194
Theoretical tax at UK Corporation tax rate of 19% (2020/21: 19%)	94,832	19,227
Effects of:		
Non – deductible expenses for tax purposes	38,198	36,264
Group relief	(7,443)	(6,209)
Deferred tax movements	5,750	-
Qualifying charitable donation	(125,587)	(49,282)
	5,750	-

5.0 Qualifying charitable donation

This represents the amounts paid as a qualifying charitable donation to the University, an exempt charity, which is the Company's ultimate parent company.

Payments of £280,041 (2020/21: £38,153) were made during the year.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

6.0 Staff numbers and costs

The monthly average numbers of persons employed by the company during the years, analysed by category, was as follows:

	2022	2021
Administration	180	186

The aggregate payroll costs of these persons plus all staff employed through the Unitemps agency were as follows:

	2022	2021
Wages and Salaries	5,302,507	5,412,838
Social Security Costs	422,315	413,990
Other Pension Costs	278,207	296,143
	6,003,029	6,122,971

The cost of Unitemps employees was £1,504,289 (2020/21: £1,387,828).

Pension costs are in relation to the 3 pension schemes offered within the company as described in note 13.

Key Management Personnel

The directors received no emoluments from the company during the year (2020/21: £nil).

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

7.0 Tangible Fixed Assets

	Furniture, fixtures, fittings & Equipment	Total
	£	£
Cost		
As at 01 August 2021	85,841	85,841
Additions	25,230	25,230
As at 31 July 2022	111,071	111,071
Accumulated Depreciation		
As at 01 August 2021	68,993	68,993
Depreciation	9,236	9,236
At 31 July 2022	78,229	78,229
Net Book Value		
As at 31 July 2021	16,848	16,848
As at 31 July 2022	32,842	32,842

8.0 Investment

	£000
Cost	
As at 01 August 2021	75,001
As at 31 July 2022	75,001
Impairment	
As at 01 August 2021	-
As at 31 July 2022	-
Net Book Value	
As at 31 July 2021	75,001
As at 31 July 2022	75,001

The company holds a 50% investment in the share capital of Uno Buses (Northampton) Limited, they provide bus services for The University of Northampton students and staff between campuses and also commercial routes for the wider public in Northamptonshire. The investment is held at cost in the financial statements.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

	2022	2021
	£	£
Profit and Loss Account		
Turnover (at 50%)	1,234,346	1,359,546
Operating (loss)	(71,173)	(18,672)
Balance Sheet		
Fixed Assets	86,932	105,249
Current Assets	355,534	521,052
Total	442,466	626,301
Creditors	(438,259)	(476,291)
Share of net assets at 50%	2,104	75,005

9.0 Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade debtors	11,498	8,837
Amounts owed by group undertakings	1,298,006	1,305,067
Other debtors	41,911	91,438
	1,351,415	1,405,342

10.0 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	153,579	98,115
Other creditors	321,853	424,283
Taxation and social security	150,850	137,104
	626,282	659,502

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

11.0 Provisions for liabilities

	2022	2021
	£	£
Deferred tax on pension asset	176,500	-
	176,500	-

12.0 Called up share capital

	2022	2021
	£	£
Authorised		
Ordinary shares of £1 each	10,000	10,000
Allotted and fully paid		
Ordinary shares of £1 each	100	100

13.0 Pension schemes

The employees belong to three principal pension schemes, the Local Government Pension Scheme (LGPS) administered by Northamptonshire County Council, NEST (National Employment Savings Trust), and Scottish Life stakeholder pension scheme, both of which are defined contribution schemes. The total pension cost for the year was £278,207 (Note 6) (2020/21: £296,143). LGPS pension cost £195,000 (2020/21: £212,883). NEST pension cost £83,207 (2020/21: £83,260).

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds. The total contribution made for the year ended 31 July 2022 was £0k (2020/21: £65k all of which was employer's contributions).

The employer contribution rate for 2021/22 was 0% (2020/21: 0%). For 2022/23 the contribution rate is 0%. The following information is based upon a full actuarial valuation of the fund as at 31 March 2019, updated to 31 July 2022 by a qualified, independent Actuary.

	2022	2021
	%	%
CPI Inflation	2.75	2.85
Rate of increase in salaries	3.25	3.35
Rate of increase in pensions	2.75	2.85
Discount rate for liabilities	3.50	1.60
The assumed life expectations on retirement at the age of 65:		
Retiring today		
Males	21.7	21.7
Females	24.0	24.1
Retiring in 20 years		
Males	22.7	22.8
Females	25.8	25.8

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

The company share of assets in the scheme and the expected rates of return were:

	Share of total fund assets 31 July 2022	Value at 31 July 2022	Share of total fund assets 31 July 2021	Value at 31 July 2021
	%	£000	%	£000
Equities	69	5,170	67	5,257
Bonds	16	1,199	20	1,569
Property	14	1,049	12	941
Cash	1	75	1	78
Total market value of assets		7,493		7,845

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

	2022	2021
	£000	£000
Company's estimated asset share	7,493	7,845
Present value of scheme liabilities	(5,448)	(7,629)
Closing position per valuation	2,045	216
Asset valuation restricted	(1,339)	-
Asset valuation recognised in year	706	216
Analysis of net interest on pension scheme		
Expected return on pensions scheme assets	124	91
Interest on pension scheme liabilities	(122)	(97)
Net return / (interest)	2	(6)
Amounts recognised in the statement of other comprehensive income		
Actual return less expected return on pension scheme assets	(335)	1,287
Change in financial and demographic assumptions underlying the scheme liabilities	2,357	(578)
Actuarial gain per valuation	2,022	709
Pension surplus not recognised in year	(1,339)	-
Actuarial gain recognised in statement of other comprehensive income	683	709
Movement in deficit during year		
Surplus / (Deficit) in scheme at beginning of year	216	(339)
Movement in year:		
Current service charges	(195)	(213)
Contributions	-	65
Net return / (interest) on assets	2	(6)
Actuarial gain	2,022	709
Surplus in scheme at the end of the year	2,045	216
Pension surplus not recognised in year	(1,339)	-
Pension asset recognised in the balance sheet	706	216

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

	2022	2021
	£000	£000
Analysis of the movement in the present value of the scheme liabilities		
At the beginning of the year	(7,629)	(6,898)
Current service charge	(195)	(213)
Interest cost	(122)	(97)
Contributions by scheme participants	(25)	(27)
Estimated benefits paid	166	184
Actuarial gains / (losses)	2,357	(578)
At the end of the year	(5,448)	(7,629)
Analysis of the movement in the market value of the scheme assets		
At the beginning of the year	7,845	6,559
Expected rate of return on scheme assets	124	91
Actuarial (losses) / gains	(335)	1,287
Contribution by the employer	-	65
Contributions by scheme participants	25	27
Benefits paid	(166)	(184)
At the end of the year	7,493	7,845

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

History of experience gains or losses	2022	2021
	£000	£000
Experience (losses) / gains on scheme assets:		
Amount	(335)	1,287
% of scheme assets	4.47%	16.41%
Experience (gains) and losses on scheme liabilities:		
Amount	2,357	(578)
% of scheme liabilities	43.26%	7.58%
Total amounts recognised in statement of total comprehensive income:	2,022	709

14.0 Related party transactions

In line with the exemption in FRS 102, no disclosure has been made of the transactions between the Company and other wholly owned group companies.

£1,315,000 (2020/21: £1,326,000) was invoiced from Uno Buses (Northampton) Ltd to The University Northampton Enterprises Ltd, for the provision of bus services.

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

16.0 Ultimate parent company

The immediate and ultimate parent undertaking is The University of Northampton Higher Education Corporation. The consolidated financial statements of the University of Northampton Higher Education Corporation are publicly available from:

The University of Northampton Higher Education Corporation
University Drive
University of Northampton
Northampton
NN1 5PH