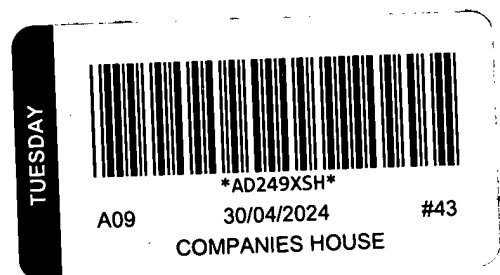




The University of Northampton Enterprises Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
COMPANY NUMBER: 03092244



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Directors and Professional Advisors for the Year Ended 31 July 2023

Directors

Dr Andrew Gough – Resigned on 10 April 2024

Paul Minton – Resigned on 10 April 2024

Karen Jones – Appointed 10 August 2022

Rebecca Bradshaw – Appointed 29 August 2023

Independent Auditor

MHA

Moorgate House

201 Silbury Boulevard

Milton Keynes

Buckinghamshire

MK9 1LZ

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 2023

The directors present the strategic report and audited financial statements for the year ended 31 July 2023 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 employers. 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.
- Strategic Business Unit- provision of external training courses and consultancy

The University has adopted a living with COVID-19 pandemic strategy 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, 1st Degree facilities and the Radio Station.

Sunley Hotel recorded a £14k profit (2021/22: £118k), this significant reduction in profit demonstrates the challenges the Hotel industry are facing due to rising inflation costs. Turnover decreased by £9k due to the Hotel providing temporary student accommodation at the start of term as a result of student residences being at full capacity. Operating costs of the hotel increased due to a negotiated pay award during 2022/23 and an increased reliance on Unitemps of £71k (2021/22: £44k), commission costs for online bookings increased to £50k (2021/22: £36K). Unitemps recorded a £283k profit (2021/22: £254k), this can be attributed to a growth in income from IT services and the IT managed SITS project, turnover increased by £540k to £1,929k (2021/22: £1,389k) during 2022/23.

Strategic Report for the Year Ended 31 July 2023 (continued)

The Strategic business unit made a £95K loss, it was unable to generate any turnover in its first year of full operation whilst incurring staff and startup costs. Increases in staff wages as a result of the pay award during 2022/23 increased the chargeable costs of 1st Degree facilities to UON resulting in a profit of £339k (2021/22: £332k) at year end for 1st Degree facilities.

The Company delivered an overall operating profit of £396k (2021/22: £497k) which includes a £134k LGPS charge (2021/22: £195k). Due to the strong performance of UNEL during 2022/23 the company made a charitable donation to the parent company of £661k (2021/22: £280K).

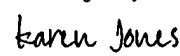
The directors are satisfied with the company's position and performance. A contract exists between the Company and the University of Northampton, the Company is contracted to provide facilities management services to the University. The facilities management provision generates income of £7,922k (2021/22: £7,456k), 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. Subsequent to the year end a decision was made to terminate the UNO buses contract during 2023/24, an alternative provision for bus services is being considered.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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Karen Jones, Director

Date: 25 April 2024

The University of Northampton Enterprises Limited
Company Number: 03092244

Directors' Report for the Year Ended 31 July 2023

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 – Resigned 10 April 2024

Paul Minton – Resigned 10 April 2024

Karen Jones – Appointed 10 August 2022

Rebecca Bradshaw – Appointed 29 August 2023

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, 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. Subsequent to the year end a decision has been taken to terminate the contract with UNO buses during 2023/24, the cost of this contract has increased substantially over the past 9 years, an alternative provision is being considered.

Qualified Charitable Donation

A charitable donation of £661k (2021/22: £280k) was made to the parent company during the year. The directors recommend that no other dividends be paid for the year (2021/22: £nil).

Directors' Report for the Year Ended 31 July 2023 (continued)

Political Contributions

The Company made no political donations or incurred any political expenditure during the year (2021/22: £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.

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.

Directors' Report for the Year Ended 31 July 2023 (continued)

Going Concern

The financial statements have been prepared on a going concern basis. See the policy note 1.2 on pages 17 – 18 for a 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

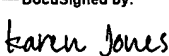
A resolution was made to appoint MHA as auditors of the company on 15 November 2023 by the Board of Governors in accordance with section 485 of the Companies Act 2006. This resolution was made electronically outside the formal Board of Governors meeting as the appointment was time critical. BDO LLP resigned as auditors in accordance with section 516 of the Companies Act 2006. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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 5, 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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Karen Jones, Director - Date: 25 April 2024

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

We have audited the financial statements of University of Northampton Enterprise Limited (the 'Company') for the year ended 31 July 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related 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 Company's affairs as at 31 July 2023 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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; or

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Auditors' 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 Auditors' 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;

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

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


A further description of our responsibilities 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 Auditors Report.

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 Auditors' 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 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 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:

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Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors

Milton Keynes

Date: 29 April 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Statement of Comprehensive Income for the Year Ended 31 July 2023

	Note	2023	Restated 2022
		£	£
Turnover	3	11,549,461	10,699,655
Cost of sales		(11,153,780)	(10,202,540)
Operating profit	2	395,681	497,115
Interest receivable and similar income		69,000	2,000
Profit before taxation		464,681	499,115
Tax on profit	4	-	-
Profit for the financial year		464,681	499,115
Actuarial gain in respect of pension schemes	12	603,000	2,022,000
Restriction of pension asset recognised	12	(538,000)	(1,829,000)
Total comprehensive (expenditure)/income for the year		529,681	692,115

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

Statement of Changes in Equity for the Year Ended 31 July 2023

	Share Capital	Profit and loss account	Total Shareholders' funds
	£	£	£
At 01 August 2021 (Restated)	100	1,010,786	1,010,886
Profit for the year (Restated)	-	499,115	499,115
Actuarial Gain (Restated)	-	193,000	193,000
Total comprehensive income (Restated)	-	692,115	692,115
Transaction with owners recorded directly in equity			
Qualifying charitable donation	-	(280,041)	(280,041)
At 31 July 2022 (Restated)		1,422,860	1,422,960
(Loss)/profit for the year	-	464,681	464,681
Actuarial Gain	-	65,000	65,000
Total comprehensive income	-	529,681	529,681
Transaction with owners recorded directly in equity			
Qualifying charitable donation	-	(660,981)	(660,981)
At 31 July 2023	100	1,291,560	1,291,660

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 2023

	Note	2023	Restated 2022
		£	£
Fixed Assets			
Tangible Assets	7	33,519	32,842
Investments	8	75,001	75,001
		108,520	107,843
Current Assets			
Debtors: amounts due within one year	9	1,798,182	1,351,415
Cash at bank and in hand		215,519	589,984
		2,013,701	1,941,399
Creditors: amounts falling due within one year	10	(830,561)	(626,282)
Net current assets		1,183,140	1,315,117
Total assets less current liabilities		1,291,660	1,422,960
Provisions for liabilities			
Defined benefit pension scheme asset	12	-	-
Net assets		1,291,660	1,422,960
Capital and Reserves			
Called up share capital	11	100	100
Profit and loss account		1,291,560	1,422,860
Total Shareholders' funds		1,291,660	1,422,960

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

DocuSigned by:

Karen Jones

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Karen Jones, Director

Date: 25 April 2024

The University of Northampton Enterprises Limited
Company Number: 03092244

Notes to the Financial Statements for the Year Ended 31 July 2023

1.0 Statement of Principal Accounting Policies for the Year Ended 31 July 2023

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 2025, 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 £7,922k (2021/22: £7,456k) which equates to c69% (2021/22: 70%) 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 2023 (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 exemptions from the following requirements:

- a. Section 7 Statement of Cash Flows.
- b. Section 3 Financial Statement Presentation paragraph 3.17(d).
- c. Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- d. Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.
- e. Section 26 Share-based Payment paragraphs 26.18(b), 26.19 – 26.21 and 26.23.
- f. Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the University of Northampton as at 31 July 2024.

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 2023 (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 accruals 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. Equipment, including computer hardware and software, costing less than £5,000 is included as an expense in the Consolidated and University Statement of Comprehensive Income account in the year of acquisition. All other equipment is capitalised at cost and depreciated over its expected useful life, as follows:

Furniture, fixtures & fittings and equipment	5 - 8 years
Vehicles	4 years

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 makes a qualifying charitable donation of an amount equal to taxable profits to its parent entity either within the year or within nine months of the year end, 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 2023 (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 2023 (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 12, 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 2023 (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

	2023	2022
	£	£
Operating Profit is stated after charging:		
Auditors' remuneration in respect of the audit of the company's financial statements (exclusive of VAT)	19,000	16,400
Depreciation	10,101	9,236

3.0 Turnover

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

	2023	2022
	£	£
1 st Degree Facilities	7,922,124	7,455,880
Unitemps Employment Agency	1,929,252	1,389,165
The University of Northampton Uno Bus Service	1,170,000	1,315,000
The University of Northampton Radio Station Service	64,557	70,332
Sunley Hotel	460,031	469,278
Central	3,497	-
	11,549,461	10,699,655

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

4.0 Taxation

Recognised in the Statement of Comprehensive Income	2023	Restated 2022
	£	£
Current tax expense	-	-
Deferred tax expense	-	-
	-	-

Current Tax Reconciliation	2023	Restated 2022
	£	£
Total profit for the year	464,681	499,115
Theoretical tax at UK Corporation tax rate of 19% (2021/22: 19%)	88,289	94,832
Effects of:		
Non – deductible expenses for tax purposes	13,772	38,198
Group relief	-	(7,443)
Qualifying charitable donation	(102,061)	(125,587)
	-	-

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 £660,981 (2021/22: £280,041) were made during the year.

Notes to the Financial Statements for the Year Ended 31 July 2023 (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:

	2023	2022
Administration	193	180

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

	2023	2022
Wages and Salaries	6,218,948	5,302,507
Social Security Costs	523,671	422,315
Other Pension Costs	230,384	278,207
	6,973,003	6,003,029

The cost of Unitemps employees was £1,933,329 (2021/22: £1,504,289).

Pension costs are in relation to the 3 pension schemes offered within the company as described in note 12.

Key Management Personnel

The directors received no emoluments from the company during the year (2021/22: £nil). All other key management personnel are employed through the University of Northampton and have received no emoluments from the company during the year (2021/22: £nil).

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

7.0 Tangible Fixed Assets

	Furniture, Fixtures, Fittings, Equipment & Vehicles	Total
	£	£
Cost		
As at 01 August 2022	111,071	111,071
Additions	10,778	10,778
As at 31 July 2023	121,849	121,849
Accumulated Depreciation		
As at 01 August 2022	78,229	78,229
Depreciation	10,101	10,101
At 31 July 2023	88,330	88,330
Net Book Value		
As at 31 July 2022	32,842	32,842
As at 31 July 2023	33,519	33,519

8.0 Investment

	£000
Cost	
As at 01 August 2022	75,001
As at 31 July 2023	75,001
Impairment	
As at 01 August 2022	-
As at 31 July 2023	-
Net Book Value	
As at 31 July 2022	75,001
As at 31 July 2023	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 2023 (continued)

	2023	2022
	£	£
Profit and Loss Account		
Turnover (at 50%)	1,131,569	1,234,346
Operating (loss)	(82)	(71,173)
Balance Sheet		
Fixed Assets	74,486	86,932
Current Assets	392,530	355,534
Total	467,016	442,466
Creditors	(468,262)	(438,259)
Share of net assets at 50%	(623)	2,104

A decision was taken subsequent to the year end to terminate the contract with UNO buses during 2023/24.

9.0 Debtors: amounts falling due within one year

	2023	2022
	£	£
Trade debtors	42,171	11,498
Amounts owed by group undertakings	1,669,873	1,298,006
Other debtors	86,138	41,911
	1,798,182	1,351,415

10.0 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	229,847	153,579
Other creditors	411,449	321,853
Taxation and social security	189,265	150,850
	830,561	626,282

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

11.0 Called up Share Capital

	2023	2022
	£	£
Authorised		
Ordinary shares of £1 each	10,000	10,000
Allotted and fully paid		
Ordinary shares of £1 each	100	100

12.0 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 £230,284 (Note 6) (2021/22: £278,207). LGPS pension cost £134,000 (2021/22: £195,000). NEST pension cost £96,284 (2021/22: £83,207).

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 2023 was £Nil (2021/22: £Nil)

The employer contribution rate for 2022/23 was 0% (2021/22: 0%). For 2023/24 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 2023 by a qualified, independent Actuary.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

	2023	2022
	%	%
CPI Inflation	3.05	2.75
Rate of increase in salaries	3.55	3.25
Rate of increase in pensions	3.05	2.75
Discount rate for liabilities	5.10	3.50
The assumed life expectations on retirement at the age of 65:		
Retiring today		
Males	19.8	21.7
Females	23.1	24.0
Retiring in 20 years		
Males	20.3	22.7
Females	24.0	25.8

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

	Share of Total Fund Assets 31 July 2023	Value at 31 July 2023	Share of Total Fund Assets 31 July 2022	Value at 31 July 2022
	%	£000	%	£000
Equities	62	4,505	69	5,170
Bonds	24	1,744	16	1,199
Property	13	944	14	1,049
Cash	1	73	1	75
Total market value of assets		7,266		7,493

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

	2023	Restated 2022
	£000	£000
Company's estimated asset share	7,266	7,493
Present value of scheme liabilities	(4,683)	(5,448)
Closing position per valuation	2,583	2,045
Asset valuation restricted	(2,583)	(2,045)
Asset valuation recognised in year	-	-
Analysis of net interest on pension scheme		
Expected return on pensions scheme assets	260	124
Interest on pension scheme liabilities	(191)	(122)
Net return / (interest)	69	2
Amounts recognised in the statement of other comprehensive income		
Actual return less expected return on pension scheme assets	(352)	(335)
Change in financial and demographic assumptions underlying the scheme liabilities	955	2,357
Actuarial gain per valuation	603	2,022
Pension surplus not recognised in year	(538)	(1,829)
Actuarial gain recognised in statement of other comprehensive income	65	193
Movement in deficit during year		
Surplus / (Deficit) in scheme at beginning of year	2,045	216
Movement in year:		
Current service charges	(134)	(195)
Contributions	-	-
Net return on assets	69	2
Actuarial gain	603	2,022
Surplus in scheme at the end of the year	2,583	2,045
Pension surplus not recognised	(2,583)	(2,045)
Pension asset recognised in the balance sheet	-	-

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

	2023	2022
	£000	£000
Analysis of the movement in the present value of the scheme liabilities		
At the beginning of the year	(5,448)	(7,629)
Current service charge	(134)	(195)
Interest cost	(191)	(122)
Contributions by scheme participants	(28)	(25)
Estimated benefits paid	163	166
Actuarial gains / (losses)	955	2,357
At the end of the year	(4,683)	(5,448)
Analysis of the movement in the market value of the scheme assets		
At the beginning of the year	7,493	7,845
Expected rate of return on scheme assets	260	124
Actuarial (losses) / gains	(352)	(335)
Contribution by the employer	-	-
Contributions by scheme participants	28	25
Benefits paid	(163)	(166)
At the end of the year	7,266	7,493

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

History of experience gains or losses	2023	2022
	£000	£000
Experience (losses) / gains on scheme assets:		
Amount	(352)	(335)
% of scheme assets	4.84%	4.47%
Experience (gains) and losses on scheme liabilities:		
Amount	955	2,357
% of scheme liabilities	20.39%	43.26%
Total amounts recognised in statement of total comprehensive income:	603	2,022

13.0 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.

£1,170,000 (2021/22: £1,315,000) was invoiced from Uno Buses (Northampton) Ltd to The University Northampton Enterprises Ltd, for the provision of bus services.

14.0 Post Balance Sheet Events

Subsequent to the year end a decision was taken to terminate the contract between the Company and UNO Buses. The costs of operating this service have increased significantly over the past number of years and the contract requirements have changed following the opening of the Waterside Campus in 2018. Work is ongoing to secure an alternative bus service provision.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

15.0 Prior Period Adjustment

In line with third party actuarial advice management has decided that the recording of a pension asset in prior periods was incorrect treatment and has decided to remove any pension asset from its statements. At July 21 the pension asset held was £216,000 and July 22 the asset was recorded as £706,000. There was also a tax charge of £5,750 and deferred taxation of £176,500 at July 22 that has been reversed as a result of this decision. The full impact on financial statements at July 22 is as follows;

Statement of Comprehensive Income

		2022 Original	2022 Restated
		£	£
Profit before taxation		499,115	499,115
Tax on profit	4	(5,750)	-
Profit for the financial year		493,365	499,115
Actuarial gain in respect of pension schemes	12	2022,000	2,022,000
Restriction of pension asset recognised	12	(1,339,000)	(1,829,000)
Total comprehensive (expenditure)/income for the year		1,176,365	692,115

Statement of Changes in Equity

	2022 Total Shareholders' funds restated	2022 Total Shareholders' funds restated
	£	£
At 01 August 2021	1,226,886	1,010,886
Profit for the year	493,365	499,115
Actuarial Gain	683,000	193,000
Deferred tax on actuarial gain	(170,750)	-
Total comprehensive income	1,005,615	692,115
Transaction with owners recorded directly in equity		
Qualifying charitable donation	(280,041)	(280,041)
At 31 July 2022	1,952,460	1,422,960

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

Balance Sheet

	Original Note	Restated Note	2022 Original	2022 Restated
			£	£
Net current assets			1,315,117	1,315,117
Total assets less current liabilities			1,422,960	1,422,960
Provisions for liabilities				
Deferred Taxation Liability	11		(176,500)	-
Defined benefit pension scheme asset	13	12	706,000	-
Net assets			1,952,460	1,422,960
Capital and Reserves				
Called up share capital	12	11	100	100
Profit and loss account			1,952,360	1,422,860
Total Shareholders' funds			1,952,460	1,422,960

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