

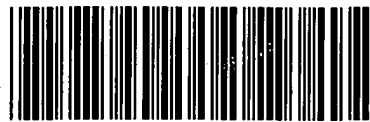
Kingston University Service Company Limited

Report and Financial Statements

Year Ended 31 July 2023

Company Number: 03134175

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Kingston University Service Company Limited

Report and financial statements for the year ended 31 July 2023

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Directors

S Burow (appointed 1 January 2023)
M Flanagan
L Green (appointed 22 July 2023)
S Moritz (appointed 1 November 2023)

Registered office

River House, 53-57 High Street, Kingston upon Thames, Surrey, KT1 1LQ

Company number

03134175

Auditor

BDO LLP, 2 City Place, Gatwick, West Sussex, RH6 0PA

Kingston University Service Company Limited

Strategic report for the year ended 31 July 2023

The directors present their strategic report, together with the financial statements, for the year ended 31 July 2023.

Review of the business

The company is a wholly owned subsidiary of Kingston University Higher Education Corporation ("Kingston University"). The principal activity of the company derives from a contract with Kingston University relating to the provision of facilities services and contract management services for Kingston University residences and property units.

Results and performance

The results of the company for the year, as set out in the statement of comprehensive income on page 8, show a loss on ordinary activities before tax and actuarial gain of £439k (2022: profit £689k).

The loss includes net income of £97k on commercial sales generated from summer schools accommodation, campus conferencing, and room and sports facilities hire. In addition, the company started generating income as a filming location in the new Town House building. This is a new and growing activity within the company designed to utilise vacant premises and generate additional income.

During the year the company made a gift aid payment of £3.4m to its ultimate parent undertaking, Kingston University. This explains the change in the company's financial position in terms of both the cash position and the movement in net assets.

The company reported an actuarial gain, after interest charged, of £522k (2022: gain £2,820k).

Details of the amounts owed to the parent undertaking are shown in note 7 on page 15.

Climate change

Long-term shifts in temperature and weather patterns caused by climate change affected operations. The main challenges were strong winds causing damage to property and grounds, and extreme high temperatures affecting data centres and the wellbeing of staff. Precautions were taken by commissioning surveys and designing solutions to the ongoing challenges. KUSCO is taking an active role in reaching net zero carbon emissions by changing the fleet to electric cars and using hybrid buses, with the long-term aim of becoming fully electric.

Going concern

The directors have carried out an assessment of the company's ability to continue as a going concern by reviewing the budget for the period ending 30 November 2024. The company has a single underlying contract with Kingston University, its ultimate parent undertaking, for the provision of facilities management services. This contract requires 12 months' notice to be given should the University decide to terminate the agreement. Under the terms of the contract Kingston University is required to settle the fee each month ahead of salary payments. The company also has the flexibility to restructure its workforce to meet the demands of this contract by reviewing shift patterns and using employees to carry out functions that are currently being outsourced. For the year ending 31 July 2024 a fee of £10.3m has been agreed with subsequent financial years to be agreed at a future date. Should the contract be terminated the company is able to draw on substantial cash resources to meet costs arising during the remainder of the going concern period. Based on these factors the directors consider the company to be a going concern and have therefore prepared the financial statements on this basis.

Kingston University Service Company Limited

Strategic report for the year ended 31 July 2023 (*continued*)

Business environment

The company's business derives from a single contract with Kingston University for the provision of hard and soft facilities management services and contract management services.

The educational market continues to change, be this increasing competition or cost of living crisis. The company is cognisant of this and supports the client by dealing with challenges on a day-to-day basis.

Strategy

The company is wholly dependent on the business needs of Kingston University through its service level agreements. The company's unique structure allows it to exploit greater commercial freedoms than a contracted-in service, and its strategy is to further exploit these freedoms driving service and financial improvements by aligning itself with best commercial practices. The company continues to benefit from its campus centric business model through more focused and enhanced service delivery and engagement with the end users.

Key performance indicators

Working within the parameters of the budget is a key performance measure. For the current financial year the company is reporting an adverse variance to budget of £138k (2022: £178k favourable). This is due to a combination of increased income of £59k (2022: £116k adverse) and an expenditure overspend of £197k (2022: £294k favourable), predominantly due to commercial events not generating enough income to cover the rising costs of sales resulting from increasing inflation. In addition, the company incurred a one-off cost of £254k in relation to the pension scheme cessation which was offset by interest receivable and other efficiencies.

The company regularly measures its service delivery across a range of metrics as defined by the Service Level Agreements. These are formally reported at monthly Authorised Officer meetings with the client representative team.

Principal risks and uncertainties

The main risk for the company would be an inability to deliver services to Kingston University. The company manages this risk through regular monitoring and reporting of service delivery and by having appropriate arrangements for staff training, development and risk management in place.

As Kingston University is the sole customer to the company a further risk resides should the company lose the University's custom. This risk is mitigated through a facilities management contract.

Future developments

There have not been any changes to the company's principal activity in the year under review.

The services managed by the company on behalf of Kingston University continue to increase and include contract management for Kingston University's parking contract and the servicing of libraries in the afternoon and overnight across all campuses.

Approval

This strategic report was approved by order of the Board on 27 November 2023.



L Green

Chair, KUSCO Board

Kingston University Service Company Limited

Report of the directors for the year ended 31 July 2023

Directors

The directors of the company throughout the year were:

A M Boggs (resigned 21 July 2023)
E Boynton (resigned 31 December 2022)
S Burrow (appointed 1 January 2023)
M Flanagan
L Green (appointed 22 July 2023)
C G Mawhood (resigned 31 December 2022)
S Moritz (appointed 1 November 2023)

Andrew Boggs resigned as the chairman of the board on 21st of July 2023 and Louisa Green was appointed on the 22nd of July 2023. Louisa Green is the chair of the board at the time of this report.

Directors' interest

None of the directors had a beneficial interest in any group company at any time during the year.

Dividends

No dividends were paid during the year (2022 - £Nil).

During the year a qualifying charitable donation of £3,394k (2022: £694k) was paid to Kingston University, the ultimate parent undertaking.

Likely future developments in the business of the company

Information on likely future developments in the business of the company has been included in the strategic report on pages 1 and 2.

Employee involvement and employment of disabled people

The directors place considerable value on the involvement of its staff and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, with employee representatives being consulted regularly on a wide range of matters affecting their current and future interests. The company has also introduced an annual staff survey to gather feedback and give the staff an opportunity to have their say. As a result of the survey and staff engagement the company has introduced a number of improvements such as a wellbeing committee, mental health first aider courses and menopause awareness courses available to all staff. This has had a positive effect on the employees which has been demonstrated in improved survey results.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Approval

This Directors' Report was approved by order of the Board on 27 November 2023.



L Green
Chair, KUSCO Board

Kingston University Service Company Limited

Statement of directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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.

Kingston University Service Company Limited

Independent auditor's report to members of Kingston University Service Company 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 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Kingston University Service Company Limited ("the Company") for the year ended 31 July 2023 which comprise The Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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.

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 Directors report and financial statements, 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.

Kingston University Service Company Limited

Independent auditor's report to members of Kingston University Service Company 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.

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.

Kingston University Service Company Limited

Independent auditor's report to members of Kingston University Service Company Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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:

Based on:

- Our understanding of the entity and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit Committee;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer;

we considered the significant laws and regulations to be the applicable accounting framework, health and safety regulations and data protection laws.

The entity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the entity policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management Override of controls as well as Improper income recognition surrounding the Other Income streams.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Selecting a sample of other income amounts to agree to supporting documentation and verify the income is correct to be recognised.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Kingston University Service Company Limited

Independent auditor's report to members of Kingston University Service Company Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

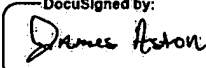
Fraud (continued)

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.

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:

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James Aston MBE (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date 29 November 2023

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

Kingston University Service Company Limited

Statement of comprehensive income for the year ended 31 July 2023

	Note	2023 £'000	2022 £'000
Turnover		10,142	9,935
Cost of sales		(9,191)	(7,694)
Gross profit		951	2,241
Other income		557	330
Administrative expenses		(2,103)	(1,869)
Operating (loss)/profit	3	(595)	702
Other interest receivable and similar income		156	33
Other finance costs		-	(46)
(Loss)/profit on ordinary activities before taxation		(439)	689
Taxation on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the financial year		(439)	689
Actuarial gain on defined benefit scheme		522	2,820
Total comprehensive income for the year		83	3,509

All amounts relate to continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

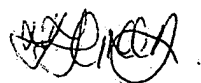
Kingston University Service Company Limited

Balance sheet
at 31 July 2023

Company number: 03134175

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Current assets					
Stock		13		13	
Debtors	6	230		533	
Cash at bank and in hand		3,367		6,323	
		<u>3,610</u>		<u>6,869</u>	
Creditors: amounts falling due within one year	7	<u>(521)</u>		<u>(469)</u>	
Total assets less current liabilities			3,089		6,400
Pension liability	8		<u>-</u>		<u>-</u>
Net assets			3,089		6,400
Capital and reserves					
Called up share capital	9		<u>-</u>		<u>-</u>
Profit and loss account			3,089		6,400
Equity shareholder's funds			3,089		6,400

The financial statements were approved by the Board of Directors and authorised for issue on 27 November 2023



L Green

Chair, KUSCO Board

The notes on pages 12 to 18 form part of these financial statements.

Kingston University Service Company Limited

Statement of changes in equity for the year ended 31 July 2023

	2023	2023	2023
	Share Capital	Profit and Loss Account	Total Equity
	£'000	£'000	£'000
As at 1 August	-	6,400	6,400
Loss for the financial year	-	(439)	(439)
Qualifying charitable donation	-	(3,394)	(3,394)
<i>Other comprehensive income:</i> Actuarial gain on pension scheme	-	522	522
As at 31 July	-	3,089	3,089

	2022	2022	2022
	Share Capital	Profit and Loss Account	Total Equity
	£'000	£'000	£'000
As at 1 August	-	3,585	3,585
Profit for the financial year	-	689	689
Qualifying charitable donation	-	(694)	(694)
<i>Other comprehensive income:</i> Actuarial gain on pension scheme	-	2,820	2,820
As at 31 July	-	6,400	6,400

The notes on pages 12 to 18 form part of these financial statements.

Kingston University Service Company Limited

Notes forming part of the financial statements for the year ended 31 July 2023

1 Accounting policies

Kingston University Service Company Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Going concern

The directors have carried out an assessment of the company's ability to continue as a going concern by reviewing the budget for the period ending 30 November 2024. The company has a single underlying contract with Kingston University, its ultimate parent undertaking, for the provision of facilities management services. This contract requires 12 months' notice to be given should the University decide to terminate the agreement. Under the terms of the contract Kingston University is required to settle the fee each month ahead of salary payments. The company also has the flexibility to restructure its workforce to meet the demands of this contract by reviewing shift patterns and using employees to carry out functions that are currently being outsourced. For the year ending 31 July 2024 a fee of £10.3m has been agreed with subsequent financial years to be agreed at a future date. Should the contract be terminated the company is able to draw on substantial cash resources to meet costs arising during the remainder of the going concern period. Based on these factors the directors consider the company to be a going concern and have therefore prepared the financial statements on this basis.

Company disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the company; and
- no disclosure has been given for the aggregate remuneration of the key management personnel.

The following principal accounting policies have been applied:

Turnover

Turnover is recognised over the period of service delivery and is in relation to the principal activity. Turnover arises in the UK and excludes VAT.

Current taxation

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

The charge for taxation is based on the profit 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 without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

No provision is made for taxation where a qualifying charitable donation has been paid in the year or where it is probable that an amount equal to the taxable profits will be paid within nine months of the period end.

Stock

Stock is valued at the lower of cost and net realisable value.

Kingston University Service Company Limited

Notes forming part of the financial statements for the year ended 31 July 2023 (*continued*)

1 Accounting policies (*continued*)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, current accounts and overdrafts. It includes deposits which have a maturity date of 90 days or less from the date of acquisition.

Qualifying charitable donations

The company is a subsidiary of a charitable higher education institution and makes 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.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The Company also contributes to a defined benefit pension plan. The difference between the fair value of the assets held in the company's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Reserves

The purpose of each reserve within equity is as follows:

- Share capital - the nominal value of allotted, called up and fully paid up ordinary share capital.
- Profit and loss account - cumulative net gains and losses recognised in the statement of comprehensive income, net of dividends paid.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following estimates:

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated salary increases. Valuations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Kingston University Service Company Limited

Notes forming part of the financial statements
for the year ended 31 July 2023 (*continued*)

3	Operating (loss)/profit	2023	2022
		£'000	£'000
	This is arrived at after charging:		
	Fees payable to the company's auditor for the audit of the company's annual accounts	14	12
		<hr/>	<hr/>
4	Employees	2023	2022
		£'000	£'000
	Staff costs consist of:		
	Wages and salaries	6,868	6,212
	Social security costs	617	552
	Employer's pension contributions	711	546
	Other employer's pension costs	-	(312)
		<hr/>	<hr/>
		8,196	6,998
		<hr/>	<hr/>

No remuneration was paid to any director in the year (2022: £nil).

The company made no pension contributions on behalf of the directors (2022: £nil).

Certain of the directors receive remuneration from Kingston University, the parent entity, in respect of their services to Kingston University and the company. The amount allocated to the company in respect of these services in the current and prior year is £nil.

The average number of employees (including directors), expressed as full-time equivalents, during the year was as follows:

	2023	2022
	No.	No.
Operational staff and administrative support	199	195
	<hr/>	<hr/>

Kingston University Service Company Limited

Notes forming part of the financial statements
for the year ended 31 July 2023 (*continued*)

5 Taxation on (loss)/profit on ordinary activities

	2023 £'000	2022 £'000
<i>UK corporation tax</i>		
Current tax on (loss)/profits of the year	-	-
Taxation on (loss)/profit on ordinary activities	-	-

The company pays profits to its parent under gift aid, a reconciliation of the tax charge to the (loss)/profit on ordinary activities before tax is set out below:

	2023 £'000	2022 £'000
(Loss)/profit on ordinary activities before tax	(439)	689
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022:19%)	(83)	131
Effects of:		
Probable qualifying charitable donation	(16)	(140)
Pension adjustment not subject to tax	99	9
Total tax charge for period	-	-

6 Debtors

	2023 £'000	2022 £'000
Trade debtors	13	71
Other debtors	14	7
Prepayments and accrued income	203	455
	230	533

7 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	114	105
Amounts owing to parent undertaking	8	13
Other creditors	170	152
Accruals and deferred income	229	199
	521	469

Kingston University Service Company Limited

Notes forming part of the financial statements
for the year ended 31 July 2023 (*continued*)

8 Pensions

Defined benefit pension scheme

The defined benefit scheme for employees of the company was the London Pension Fund Authority ('LPFA'), a multi-employer scheme whose assets are administered by Trustees in a managed fund.

On 30 November 2022 the company made an exit payment of £254k in relation to the exit of the scheme on 31 July 2022.

The prior year figures disclosed below have been derived from the actuarial valuations carried out by Barnett Waddingham as at 31 July 2022. The date of the last triennial valuation was 31 March 2019.

	2023 %	2022 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rate	-	3.40
Salary increases	-	n/a
Pension increases (CPI)	-	2.85

The table below shows the life expectancy assumptions used in the prior year accounting assessments based on the life expectancy of male and female members at age 65:

	Males	Females
Retiring today	21.0 years	23.6 years
Retiring in 20 years	22.4 years	25.5 years

	2023 £'000	2022 £'000
<i>Reconciliation of opening & closing balances of the present value of the defined benefit obligation</i>		
Opening defined benefit obligation	10,975	13,906
Interest cost	-	212
Change in financial assumptions	-	(3,560)
Experience loss on defined benefit obligation	-	917
Estimated benefits paid net of transfers in	-	(500)
Liabilities extinguished on settlement	(10,975)	-
Closing defined benefit obligation	-	10,975
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	-	10,975

Kingston University Service Company Limited

Notes forming part of the financial statements
for the year ended 31 July 2023 (continued)

8 Pensions (continued)

Defined benefit pension scheme (continued)

	2023 £'000	2022 £'000
<i>Reconciliation of opening & closing balances of the fair value of Fund assets</i>		
Opening fair value of Fund assets	11,497	10,820
Interest on assets	-	166
Return on assets less interest	-	699
Administration expenses	-	(14)
Contributions by employer including unfunded	-	326
Estimated benefits paid plus unfunded net of transfers in	-	(500)
Assets distributed on settlement	(11,497)	-
	<hr/>	<hr/>
Closing fair value of Fund assets	-	11,497
	<hr/>	<hr/>
Fair value of plan assets	-	11,497
Present value of plan liabilities	-	(10,975)
	<hr/>	<hr/>
Net pension scheme asset	-	522
	<hr/>	<hr/>
Effect of asset ceiling	-	(522)
	<hr/>	<hr/>
Net defined liability	-	-
	<hr/>	<hr/>
<i>Amounts recognised in the Statement of Comprehensive Income are as follows:</i>		
<i>Included in administrative expenses:</i>		
Administration expense	-	14
Loss on settlement	776	-
	<hr/>	<hr/>
<i>Amounts included in other finance costs</i>		
Net interest on the defined liability	-	46
	<hr/>	<hr/>
	776	60
	<hr/>	<hr/>
<i>Remeasurement of the defined liability in other comprehensive income</i>		
Return on Fund assets in excess of interest	-	699
Changes in financial assumptions	-	3,560
Experience loss on defined benefit obligation	-	(917)
Gain/(loss) from change in effect of asset ceiling	522	(522)
	<hr/>	<hr/>
Remeasurement of the defined liability	522	2,820
	<hr/>	<hr/>

Kingston University Service Company Limited

Notes forming part of the financial statements
for the year ended 31 July 2023 (*continued*)

8 Pensions (*continued*)

	2023 £'000	2022 £'000
<i>Composition of plan assets</i>		
Equities	-	6,524
Target Return Portfolio	-	2,496
Infrastructure	-	1,210
Property	-	1,129
Cash	-	138
	<hr/>	<hr/>
Total plan assets	-	11,497
	<hr/>	<hr/>
<i>Actual return on plan assets</i>	-	8.06%
	<hr/>	<hr/>

9 Share capital

	2023 £	2022 £
<i>Allotted, called up and fully paid</i>		
100 (2020 - 100) ordinary shares of £1 each	100	100
	<hr/>	<hr/>

10 Ultimate parent undertaking

Kingston University Service Company Limited is a wholly owned subsidiary of Kingston University, which was created under the terms of the Further and Higher Education Act 1992. Consolidated financial statements for the University, its ultimate parent undertaking and the only group which includes the company, can be obtained by writing to:

Director of Finance
Kingston University
River House
53-57 High Street
Kingston upon Thames
Surrey
KT1 1LQ

Kingston University is considered to be the controlling and ultimate controlling party of Kingston University Service Company Limited.