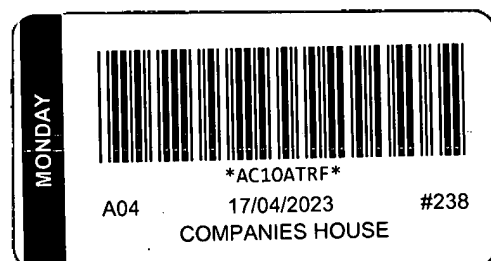


NORTHUMBRIA UNIVERSITY SERVICES LIMITED

Directors' report and financial statements for the year ended 31 July 2022

Registered no. 10167191



Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2022

Contents

	Pages
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report to the members of Northumbria University Services Limited	5
Profit and loss account and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

Directors' report for the year ended 31 July 2022

The directors present their directors' report and financial statements of the company for the year ended 31 July 2022. The company is entitled to, and has adopted, certain exemptions in relation to disclosure requirements regarding a business review under section 417(1) of the Companies Act 2006.

Principal activities and future developments

The company's principal activity during the period was the supply of professional support staff services to the University of Northumbria at Newcastle. There are no changes to the company's activities anticipated for the foreseeable future. The financial statements have been prepared on a going concern basis.

Business review and dividends

The result for the period after taxation amounts to a profit of £409,052 (2021: £289,523) as shown in the profit and loss account on page 9.

The directors do not recommend payment of a dividend.

Directors

The directors of the company during the year ended 31 July 2022 and up to the date of signing the financial statements are set out below:

M McLaughlin
L Hurford
S C Pelham
S J Newitt
A B Wathey

Political and charitable donations

The company made no political or charitable donations nor incurred any political expenditure during either the current or previous year, other than the gift aid payments made to the University of Northumbria at Newcastle as shown in the statement of changes in equity on page 11.

Employees

The average full time equivalent staff number is 519 (2021: 387). Staff costs in the year were £15,660,131 (2021: £11,153,870).

Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2022

Directors' report for the year ended 31 July 2022 (continued)

By order of the Board,



S J Newitt
Director

Pandon Building
Newcastle Upon Tyne
Tyne & Wear
NE2 1XE

16 March 2023

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Northumbria University Services Limited

Opinion

We have audited the financial statements of Northumbria University Services Limited ("the company") for the year ended 31 July 2022 which comprise the Profit and loss and other comprehensive income, the Balance Sheet, the Statement of changes in equity and related notes, including the accounting policies

in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included.

Northumbria University Services Limited – Directors’ report and financial statements for the year ended 31 July 2022

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because of the inter-company nature of the company's revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors’ report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors’ responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2022

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS4 4DA

6 April 2023

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
for the year ended 31 July 2022

		Year ended 31 July 2022	Year ended 31 July 2021
	Note	£	£
TURNOVER	1,2	16,622,061	11,839,084
Cost of sales		<u>(15,683,773)</u>	<u>(11,168,948)</u>
GROSS PROFIT		938,288	670,136
Administrative expenses		<u>(529,236)</u>	<u>(380,613)</u>
PROFIT BEFORE TAXATION		409,052	289,523
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE PERIOD		409,052	289,523
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		409,052	289,523

All operations of the company are continuing.

Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2022

BALANCE SHEET
as at 31 July 2022

	Notes	2022 £	2021 £
CURRENT ASSETS			
Debtors	6	1,132,150	723,174
Cash at bank and in hand		18,971	159,996
		<u>1,151,121</u>	<u>883,170</u>
CREDITORS: amounts falling due within one year	7	<u>(1,151,120)</u>	<u>(883,169)</u>
NET ASSETS		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		-	-
SHAREHOLDERS' FUNDS		<u>1</u>	<u>1</u>

The financial statements were approved by the directors on 16 March 2023 and were signed on their behalf by:



Simon Newitt
Director

Registered number: 10167191

STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 August 2021	1	-	1
Total comprehensive income for the period			
Profit or loss	-	289,523	289,523
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	289,523	289,523
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Gift aid payment	-	(289,523)	(289,523)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(289,523)	(289,523)
	<hr/>	<hr/>	<hr/>
Balance at 31 July 2021	1	-	1
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Balance at 1 August 2021	1	-	1
Total comprehensive income for the period			
Profit or loss	-	409,052	409,052
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	409,052	409,052
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Gift aid payment	-	(409,052)	(409,052)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(409,052)	(409,052)
	<hr/>	<hr/>	<hr/>
Balance at 31 July 2022	1	-	1
	<hr/>	<hr/>	<hr/>

Notes to the financial statements

1. ACCOUNTING POLICIES

Northumbria University Services Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The Company has chosen to early adopt the amendments to FRS 102 arising from the FRC triennial review in December 2017. The principal impact is to recognise the tax effect arising from gift aid payments in profit and loss rather than equity. The presentation currency of these financial statements is sterling.

The Company’s parent undertaking, University of Northumbria at Newcastle, includes the Company in its consolidated financial statements. The consolidated financial statements of University of Northumbria at Newcastle are available to the public and may be obtained from Northumbria University, Sutherland Building, College Street, Newcastle Upon Tyne, NE1 8ST. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

As the consolidated financial statements of Northumbria University include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

At the balance sheet date the company had net assets of £1 (2021: £1). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have performed an assessment for a period of 12 months from the date of approval of these financial statements which indicates that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent undertaking, Northumbria University, to meet its liabilities as they fall due for that period. Those forecasts are dependent on Northumbria University providing additional financial support during that period. Northumbria University has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes to the financial statements (continued)

1 ACCOUNTING POLICIES (continued)

1.2 Going concern (continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.5 Turnover

Turnover represents the value, net of value added tax and discounts, of services provided to customers and funding received from funders. Turnover on rendering of services and funding received is recognised when the service has been delivered and the company has performed its obligations under the relevant contract. Turnover arises wholly in the United Kingdom.

Notes to the financial statements (continued)

1 ACCOUNTING POLICIES (continued)

1.6 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.7 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes to the financial statements (continued)

1 ACCOUNTING POLICIES *(continued)*

1.9 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the financial statements (continued)

2. TURNOVER

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Rendering of professional support staff services	16,622,061	11,698,059
Coronavirus Job Retention Scheme	-	141,025
	<u>16,622,061</u>	<u>11,839,084</u>

3. EXPENSES AND AUDITOR’S REMUNERATION

Included in profit/loss are the following:

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
<i>Auditor’s remuneration</i>		
Audit of these financial statements	-	-

The audit fee for the current and preceding year was borne by the University of Northumbria at Newcastle, the body deemed by the Directors to be the ultimate parent undertaking.

4. STAFF NUMBERS AND COSTS

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

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
Professional support staff	<u>519</u>	<u>387</u>

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Salaries and wages	13,360,563	9,600,641
Social security costs	1,194,524	761,936
Other pension costs (note 9)	1,105,044	791,293
	<u>15,660,131</u>	<u>11,153,870</u>

Director’s remuneration in the current year amounted to £nil (2021: £nil)

Notes to the financial statements (continued)

5. TAXATION

a) Total tax expense recognised in the profit and loss account

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
UK corporation current tax charge on income	-	-

b) Reconciliation of effective tax rate

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Profit before tax	409,052	289,523
Corporation tax at standard rate of 19% (2021: 19%)	77,720	55,009
Disallowable expenditure	-	-
Gift aid payment made to parent company	(77,720)	(55,009)
Total tax expense included in the profit and loss	-	-

c) Factors Affecting Future Tax Charges

The charge to Corporation Tax for the financial year beginning 1 April 2022 is set at 19%, which will also be the main rate for the financial year beginning 1 April 2023.

Notes to the financial statements (continued)

	2022 £	2021 £
6. DEBTORS		
Amounts owed by parent undertaking	<u>1,132,150</u>	<u>723,174</u>
7. CREDITORS: amounts falling due within one year	2022 £	2021 £
Amounts owed to parent undertaking	<u>1,151,120</u>	<u>883,169</u>
8. CALLED UP SHARE CAPITAL	2022 £	2021 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

9. EMPLOYEE BENEFITS

The company operates a defined contribution pension scheme. The total expense relating to this plan in the year was £1,105,044 (2021: £791,293). There were no outstanding or prepaid contributions at the period end.

10. ULTIMATE HOLDING ENTITY

The ultimate parent undertaking at 31 July 2022 is the University of Northumbria at Newcastle, a higher education establishment incorporated in the United Kingdom under the Education Reform Act 1988. It has included the company in its consolidated accounts, which are publicly available from the Secretary to the Board of Governors, University of Northumbria at Newcastle, Sutherland Building, College Street, Newcastle-upon-Tyne, Tyne and Wear, NE1 8ST. These financial statements are also available on www.northumbria.ac.uk.

The company’s transactions with the ultimate parent have not been disclosed under FRS102.

11. ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors do not consider there to be any significant sources of estimation uncertainty in respect of the current period.