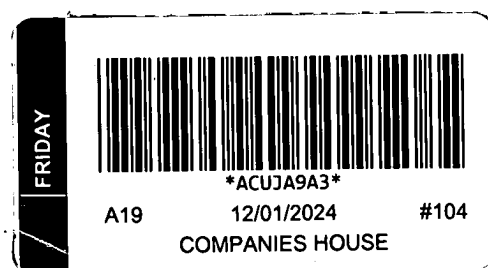


# ***NORTHUMBRIA UNIVERSITY SERVICES LIMITED***

***Directors' report and financial statements for the year ended 31 July 2023***

***Registered no. 10167191***



**Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2023**

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## **Directors' report for the year ended 31 July 2023**

The directors present their directors' report and financial statements of the company for the year ended 31 July 2023. 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 £369,382 (2022: £409,052) 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 2023 and up to the date of signing the financial statements are set out below:

M McLaughlin  
L Hurford  
S C Pelham  
S J Newitt  
G Hitchenes (Appointed 11 January 2023)

### **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 671 (2022: 519). Staff costs in the year were £22,787,210 (2022: £15,660,131).

### **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**

Northumbria University Services Limited is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act.

**Northumbria University Services Limited – Directors' report and financial statements for the year ended 31 July 2023**

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

By order of the Board,

A handwritten signature in black ink, appearing to read 'S J Newitt', written in a cursive style.

**S J Newitt**  
*Director*

Pandon Building  
Newcastle Upon Tyne  
Tyne & Wear  
NE2 1XE

6 December 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.

**Northumbria University Services Limited – Directors’ report and financial statements for the year ended 31 July 2023**

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

	Note	Year ended 31 July 2023 £	Year ended 31 July 2022 £
<b>TURNOVER</b>	1,2	<b>24,174,788</b>	<b>16,622,061</b>
Cost of sales		<b>(22,787,210)</b>	<b>(15,683,773)</b>
<b>GROSS PROFIT</b>		<b>1,387,578</b>	<b>938,288</b>
Administrative expenses		<b>(1,018,194)</b>	<b>(529,236)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>369,382</b>	<b>409,052</b>
Tax on profit	5	-	-
<b>PROFIT FOR THE PERIOD</b>		<b>369,382</b>	<b>409,052</b>
<b>OTHER COMPRHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPRHENSIVE INCOME FOR THE PERIOD</b>		<b>369,382</b>	<b>409,052</b>

All operations of the company are continuing.

Northumbria University Services Limited – Directors’ report and financial statements for the year ended 31 July 2023

**BALANCE SHEET**  
as at 31 July 2023

	Notes	2023 £	2022 £
<b>CURRENT ASSETS</b>			
Debtors	6	1,364,078	1,132,150
Cash at bank and in hand		18,878	18,971
		<u>1,382,956</u>	<u>1,151,121</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(1,382,955)</u>	<u>(1,151,120)</u>
<b>NET ASSETS</b>		<u>1</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Profit and loss account		-	-
<b>SHAREHOLDERS’ FUNDS</b>		<u>1</u>	<u>1</u>

The financial statements were approved by the directors on 6 December 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
<b>Total comprehensive income for the period</b>			
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/>
<b>Transactions with owners, recorded directly in equity</b>			
Gift aid payment	-	(409,052)	(409,052)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(409,052)	(409,052)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2022</b>	<b>1</b>	<b>-</b>	<b>1</b>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Balance at 1 August 2022	1	-	1
<b>Total comprehensive income for the period</b>			
Profit or loss	-	369,382	369,382
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	369,382	369,382
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Gift aid payment	-	(369,382)	(369,382)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(369,382)	(369,382)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2023</b>	<b>1</b>	<b>-</b>	<b>1</b>
	<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 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 (2022: £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 2023 £	Year ended 31 July 2022 £
Rendering of professional support staff services	24,174,788	16,622,061
	<u>24,174,788</u>	<u>16,622,061</u>

### 3. EXPENSES AND AUDITOR’S REMUNERATION

Included in profit/loss are the following:

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
<i>Auditor’s remuneration</i>		
Audit of these financial statements	-	-
	<u>-</u>	<u>-</u>

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

Northumbria University Services Limited is exempt from the Companies Act 2006 requirements relating to the current year audit of their individual accounts by virtue of Section 479A of the Act.

### 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 2023 Number	Year ended 31 July 2022 Number
Professional support staff	<u>671</u>	<u>519</u>

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Salaries and wages	19,281,503	13,360,563
Social security costs	1,922,927	1,194,524
Other pension costs (note 9)	1,582,780	1,105,044
	<u>22,787,210</u>	<u>15,660,131</u>

**Northumbria University Services Limited – Directors’ report and financial statements for the year ended 31 July 2023**

Director’s remuneration in the current year amounted to £nil (2022: £nil)

**Notes to the financial statements (continued)**

**5. TAXATION**

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

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
UK corporation current tax charge on income	-	-

**b) Reconciliation of effective tax rate**

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Profit before tax	369,382	409,052
Corporation tax at standard rate of 21% (2022: 19%)	77,570	77,720
Disallowable expenditure	-	-
Gift aid payment made to parent company	(77,570)	(77,720)
<b>Total tax expense included in the profit and loss</b>	<b>-</b>	<b>-</b>

**c) Factors Affecting Future Tax Charges**

The charge to Corporation Tax for the financial year beginning 1 April 2023 is set at 25%, which will also be the main rate for the financial year beginning 1 April 2024.

**Notes to the financial statements (continued)**

	2023 £	2022 £
<b>6. DEBTORS</b>		
Amounts owed by parent undertaking	<u>1,364,078</u>	<u>1,132,150</u>
	2023 £	2022 £
<b>7. CREDITORS: amounts falling due within one year</b>		
Amounts owed to parent undertaking	<u>1,382,952</u>	<u>1,151,120</u>
	2023 £	2022 £
<b>8. CALLED UP SHARE CAPITAL</b>		
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 £1,582,780 (2022: £1,105,044). There were no outstanding or prepaid contributions at the period end.

**10. ULTIMATE HOLDING ENTITY**

The ultimate parent undertaking at 31 July 2023 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](http://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.