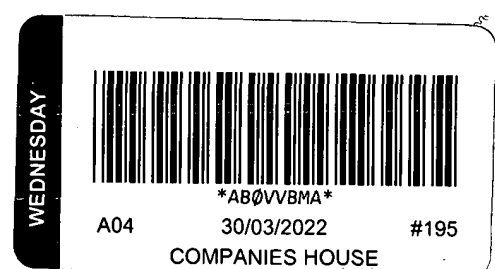


**Registered number: OC397962**

# **NEWCASTLE UNIVERSITY LONDON LLP**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 JULY 2021**



# NEWCASTLE UNIVERSITY LONDON LLP

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# NEWCASTLE UNIVERSITY LONDON LLP

## General information

### Designated members

Newcastle ISC Limited  
Newcastle University Holdings Limited

### Management committee

Dr Colin Campbell  
Professor Suzanne Cholerton (resigned 31<sup>st</sup> March 2021)  
Richard Dale (resigned 16<sup>th</sup> December 2021)  
Professor Nigel Harkness  
Professor William Malone  
Professor Tom Ward (appointed 1<sup>st</sup> May 2021)  
Christine Stafford

### Registered office

c/o Finance and Planning  
Newcastle University  
King's Gate  
Newcastle Upon Tyne  
England  
NE1 7RU

### Independent auditors

Grant Thornton UK LLP  
2<sup>nd</sup> Floor  
St John's House  
Haslett Avenue West  
Crawley  
RH10 1HS

# NEWCASTLE UNIVERSITY LONDON LLP

## Members' report for the year ended 31 July 2021

The managing board presents its annual report together with the audited financial statements of the Limited Liability Partnership ('LLP' or 'the Partnership') on behalf of the member for the year ended 31 July 2021.

### Legal structure

The LLP is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000 and during the year was wholly owned by its corporate members, Newcastle ISC Limited and Newcastle University Holdings Limited, both subsidiaries of the University of Newcastle. The members each appointed representatives to manage the operations of the LLP. The management board had responsibility for overseeing and reviewing the LLP's business and activities.

The representatives who served on the management board during the year and up to the date of approval of these financial statements were:

Suzanne Cholerton	(on behalf of Newcastle ISC Limited – resigned 31 <sup>st</sup> March 2021
Richard Dale	(on behalf of Newcastle ISC Limited – resigned 16 <sup>th</sup> December 2021))
Nigel Harkness	(on behalf of Newcastle ISC Limited)
Tom Ward	(on behalf of Newcastle ISC Limited – appointed 1 <sup>st</sup> May 2021)
Richard Davies	(on behalf of Newcastle ISC Limited – resigned 30 November 2020)
Sharon Mavin	(on behalf of Newcastle ISC Limited – resigned 30 November 2020)
Colin Campbell	(on behalf of Newcastle University Holdings Limited – appointed 30 November 2020)
William Maloney	(on behalf of Newcastle University Holdings Limited – appointed 30 November 2020)
Christine Stafford	(on behalf of Newcastle University Holdings Limited – appointed 30 November 2020)
Dean Cambridge	(on behalf of IUP2 LLP – resigned 30 November 2020)
Anmar Kawash	(on behalf of IUP2 LLP – resigned 30 November 2020)
Errim Mahmoud	(on behalf of IUP2 LLP – resigned 30 November 2020)
Jon Holmes	(on behalf of IUP2 LLP – resigned 30 November 2020)
Bridget White	(on behalf of IUP2 LLP – resigned 30 November 2020)

### Results and distributions

The profit for the year for allocation to members amounted to £7,423,482 (2020: loss of £268,783).

Total members' interests show an asset of £903,200 (2020: deficit of £5,002,695).

### Principal activities and going concern

During the year IUP 2 LLP retired as a member of the LLP and the LLP became wholly owned and controlled by the University of Newcastle. The activities of the LLP were wound down in the year and as a result the financial statements have been prepared on the cessation basis.

In the opinion of the members there would be no other adjustments required to prepare the financial statements on a basis other than going concern.

# NEWCASTLE UNIVERSITY LONDON LLP

## Members' report for the year ended 31 July 2021 (*continued*)

### Financial instruments

The LLP does not actively use financial instruments as part of its financial risk management other than standard trade payables and receivables, and loans from related parties. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk.

The LLP accepts US Dollar receipts for student fees due and therefore is exposed to some foreign exchange risk which it manages through policy of regular conversion to Pounds Sterling.

### Policy with respect to members' drawings and the subscription and repayment of members' capital

Members are permitted to make drawings subject to there being a suitable level of available profits and cash. As disclosed elsewhere in this report, IUP2 LLP resigned as a member during the year. No member is entitled to receive interest on its capital contribution to the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members net of any deficit on that members' current account. Members will subscribe new capital in accordance with the business needs and cash flow.

This report was approved by the management board on 21/3/2022 and signed on its behalf by:



**Colin Campbell**

# NEWCASTLE UNIVERSITY LONDON LLP

## Statement of members' responsibilities in respect of the financial statements

The member is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the member to prepare financial statements for each financial year. Under the law the member has elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the member is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the LLP's transactions and the financial position of the LLP, and enable them to ensure that the financial statements comply with the 2008 Regulations and the Companies Act 2006 applied to Limited Liability Partnerships. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of disclosure of information to the auditor

The members confirm that:

- so far as they are aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This statement was approved by the management board on 21/3/2022 and signed on its behalf by:



**Colin Campbell**

# NEWCASTLE UNIVERSITY LONDON LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWCASTLE UNIVERSITY OF LONDON LLP

### Opinion

We have audited the financial statements of Newcastle University of London LLP (the 'limited liability partnership') for the year ended 31 July 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of members' interests 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### 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 are independent of the limited liability partnership 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – basis of preparation of the financial statements

We draw attention to the going concern note within the principal accounting policies, which describes the basis of preparation of the financial statements. As a result of their decision to wind up the limited liability partnership, the members have prepared the financial statements on a cessation basis. Our opinion is not modified in respect of this matter.

# NEWCASTLE UNIVERSITY LONDON LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWCASTLE UNIVERSITY OF LONDON LLP (*continued*)

### Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships.

### Responsibilities of members for the financial statements

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



# NEWCASTLE UNIVERSITY LONDON LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWCASTLE UNIVERSITY OF LONDON LLP (*continued*)

### Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 as applied to limited liability partnerships and the relevant tax compliance regulations in the UK).
- We communicated relevant laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit
- We understood how the entity is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
  - evaluation of the effectiveness of management's controls designed to prevent and detect irregularities;
  - journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the entity operates
  - understanding of the legal and regulatory requirements specific to the entity

# NEWCASTLE UNIVERSITY LONDON LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWCASTLE UNIVERSITY OF LONDON LLP (*continued*)

### Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Christian Heeger BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley  
21/3/2022

# NEWCASTLE UNIVERSITY LONDON LLP

## Statement of comprehensive income for the year ended 31 July 2021

	Note	2021	2020
		£	£
Turnover		6,381,482	10,752,467
Cost of sales		(3,147,017)	(4,409,895)
<b>Gross profit</b>		<b>3,234,465</b>	<b>6,342,572</b>
Net administrative expenses		(3,346,810)	(5,689,170)
Exceptional gains /(charges)	1	7,653,772	(675,534)
Total administrative expenses		4,306,962	(6,364,704)
<b>Operating profit /(loss)</b>	2	<b>7,541,427</b>	<b>(22,132)</b>
Interest payable and similar charges	4	(117,945)	(255,273)
Interest receivable and similar income	5	-	8,622
<b>Profit /(loss) before and after tax and total comprehensive expense for the financial year before members' remuneration charged as an expense and profit shares</b>		<b>7,423,482</b>	<b>(268,783)</b>
Members' remuneration charged as profit / (expense)		(7,423,482)	268,783
<b>Profit /(loss) for the year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

There is no comprehensive income in the year other than that disclosed above.

There is no material difference between the loss for the financial year before members' remuneration and profit shares available for discretionary division among members stated above and their historical cost equivalents.

The notes on pages 15 to 18 form part of these financial statements.

# NEWCASTLE UNIVERSITY LONDON LLP

## Balance sheet

as at 31 July 2021

Registered number: OC397962

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	6	10,355,235	18,591,515
Cash at bank and in hand		103,743	314,597
		<b>10,458,978</b>	18,906,112
<b>Creditors: amounts falling due within one year</b>	7	<b>(1,258,978)</b>	(8,188,525)
<b>Net current assets</b>		<b>9,200,000</b>	10,717,587
<b>Total assets less current liabilities</b>		<b>9,200,000</b>	10,717,587
<b>Net assets attributable to members</b>		<b>9,200,000</b>	10,717,587
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year:</b>			
Members' capital classified as debt		1,400,000	1,400,000
Loans and other debts due to members		7,800,000	9,317,587
		<b>9,200,000</b>	10,717,587
<b>Total members' interests:</b>			
Amounts due from members (included in debtors)		(8,296,800)	(15,720,282)
Members' capital classified as debt		1,400,000	1,400,000
Loans and other debts due to members		7,800,000	9,317,587
		<b>903,200</b>	(5,002,695)

These financial statements were prepared in accordance with the Small Limited Liability Partnerships' regime.

The financial statements on pages 9 to 18 were approved by the Members on 21/3/2022 and signed on their behalf by:

*Colin Campbell*

**Colin Campbell**

The notes on pages 15 to 18 form part of these financial statements.

# NEWCASTLE UNIVERSITY LONDON LLP

## Statement of members' interests for the year ended 31 July 2021

	Members capital classified as debt £	Loans and other debts due to members £	Total debt due to members £	Amounts due from members (included in debtors) £	Total members' interests £
<b>At 1 August 2019</b>	<b>1,400,000</b>	<b>9,366,528</b>	<b>10,766,528</b>	<b>(15,451,499)</b>	<b>(4,684,971)</b>
Loss for the year available for discretionary division among members	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	(268,783)	(268,783)
Members' interests after loss for the year	1,400,000	9,366,528	10,766,528	(15,720,282)	(4,953,754)
Loan movement	-	(48,941)	(48,941)	-	(48,941)
<b>At 31 July 2020</b>	<b>1,400,000</b>	<b>9,317,587</b>	<b>10,717,587</b>	<b>(15,720,282)</b>	<b>(5,002,695)</b>
Profit for the year available for discretionary division among members	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	7,423,482	7,423,482
Members' interests after profit for the year	1,400,000	9,317,587	10,717,587	(8,296,800)	2,420,787
Loan movement	-	(1,517,587)	(1,517,587)	-	(1,517,587)
<b>At 31 July 2021</b>	<b>1,400,000</b>	<b>7,800,000</b>	<b>9,200,000</b>	<b>(8,296,800)</b>	<b>903,200</b>

Loans and other debts due to members are repayable on demand. These loans would rank after all other unsecured creditors in the event of a winding up.

The notes on pages 15 to 18 form part of these financial statements.

# NEWCASTLE UNIVERSITY LONDON LLP

## Principal accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Pounds Sterling (£) because that is the currency of the primary economic environment in which the LLP operates.

### Going concern

During the year IUP2 LLP retired as a member of the LLP and as a result the LLP became wholly owned and controlled by University of Newcastle, which continues to manage the activities of the LLP before winding the LLP up, which is expected to take place in early 2022. As a result the financial statements have been prepared on a cessation basis.

In the opinion of the members there would be no other adjustments required to prepare the financial statements on a basis other than going concern.

### Cash flow statement

In accordance with FRS102 section 1A "small entities", no cash flow statement has been prepared on the grounds that the LLP qualifies as a small entity.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts allowed by the company and value added taxes.

Income is recognised in the academic year in which the students are studying. Amounts invoiced in advance of the academic year are deferred to subsequent accounting periods and are included within 'creditors due in less than one year'.

#### *Tuition*

Tuition fees represent all fees chargeable to students or their sponsors received and receivable attributable to the current accounting year net of discounts. Tuition fees are attributed to accounting periods based on the tuition actually provided in that period. The costs of any fees waived are deducted from the tuition fee income.

#### *Accommodation*

Accommodation fees are spread over the period of occupancy to which they relate.

### Pension scheme

Members of staff are eligible to join the Group INTO Pension Plan and Stakeholder Scheme which is a defined contribution scheme. Defined contribution pension schemes are pension schemes under which the LLP pays fixed contributions into a separate entity. The LLP has no legal or constructive obligations to pay further contributions if the pension scheme does not hold sufficient assets to pay all benefits relating to employee service in the current and prior periods.

Contributions made by the LLP are accordingly recognised in the statement of comprehensive income when they become payable.

# NEWCASTLE UNIVERSITY LONDON LLP

## Principal accounting policies (*continued*)

### Operating leases

Rentals under operating leases are included in operating expenses in the statement of comprehensive income on a straight line basis over the term of the lease.

### Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement.

Amounts subscribed or otherwise contributed by members, for example Members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

The members' agreement sets out that all profits and losses are required to be automatically allocated, all of the profits and losses realised in the profit and loss account are treated as members' remuneration charged as an expense by reference to pre-determined profit sharing mechanisms. Allocated profit is included within "other amounts classified as debt"

All amounts due to members that are classified as liabilities are presented in the Balance sheet within 'Loans and other debts due to Members' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance sheet within 'Members' other interests'.

Loans to members would rank after all other unsecured creditors in the event of a winding up.

### Distribution of profits and losses and drawings

Any profits and losses will be distributed between the members in accordance with the Limited Liability Partnership agreement which states that 'the profits of the LLP shall be divided between the members in equal proportions and credited or debited to the Members' current accounts with the LLP as soon as the annual financial statements for the relevant accounting year of the LLP are approved by the Members', or as otherwise agreed in writing between the members. Amounts are drawn down on capital accounts as agreed between the members.

### Taxation

Income and capital gains (or losses) accruing to the trade of Newcastle University London LLP will be attributed to the relevant members for tax purposes according to their entitlement to income and capital under the terms of the Limited Liability Partnership Agreement.

Taxes to be paid on the profits arising in the LLP are a personal tax liability of the members of the LLP and therefore are not included as a tax charge or provision within these financial statements.

### Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### Financial instruments

The LLP has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The LLP uses basic financial instruments such as standard trade payables and receivables, cash and bank balances and loans from related parties. Basic financial instruments are initially recognised at transaction price and are subsequently carried at amortised cost.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present Value of the estimated cash flows. The impairment loss is recognised in profit or loss.

# NEWCASTLE UNIVERSITY LONDON LLP

## Principal accounting policies (*continued*)

### Agent Commission

Commission paid to third party agents, where the LLP has a right to recover the payments in the event the student leaves before the completion of their course, are deferred on the balance sheet and recognised over the same period as the related student revenue. Payments made where the LLP has no recourse to recover them are expensed as they are earned by the third party.

### Critical accounting judgements and key sources of estimation

In the application of the LLP's accounting policies the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and / or future period as applicable.

There are no critical estimates that have an impact on the financial statements. The following are the critical judgments that have the most significant effect on the amounts recognised in the financial statements.

### Administrative exceptional items

The LLP classifies certain one-off charges or credits that have a material impact on the LLP's results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the entity.



# NEWCASTLE UNIVERSITY LONDON LLP

## Notes to the financial statements for the year ended 31 July 2021

### 1 Administrative exceptional item

	2021	2020
	£	£
Exceptional (charges) /gains	7,653,772	(675,534)

The exceptional gains in the reporting year are related to debt waivers received from both partners before IUP 2 LLP retired as a partner in the year. The exceptional charges in the year FY2020 are relate to an impairment on disposal of intangible and tangible assets related to as a result of the winding up of the LLP.

### 2 Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021	2020
	£	£
Amortisation of intangible assets	-	129,342
Depreciation of tangible assets	-	66,289
Loss on foreign exchange transactions	842	1,346
Auditors' remuneration		
- audit of the LLP's financial statements	18,000	11,000

### 3 Staff costs

	2021	2020
	£	£
Staff costs comprise:		
Wages and salaries	873,879	1,111,134
Social security costs	84,969	112,626
Other pension costs	66,671	87,952
	1,025,519	1,311,712

The pension cost charge in the year amounting to £66,671 (2020: £87,952) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end there was £3,429 (2020: £7,634) contribution outstanding.

The average monthly number of employees during the year was as follows:

	2021	2020
	Number	Number
Teaching staff	13	13
Administration	18	30
	31	43

# NEWCASTLE UNIVERSITY LONDON LLP

## Notes to the financial statements for the year ended 31 July 2021 (continued)

### 4 Interest payable and similar charges

	2021	2020
	£	£
Loan interest	117,945	255,273

### 5 Interest receivable and similar income

	2021	2020
	£	£
Bank interest	-	8,622

### 6 Debtors

	2021	2020
	£	£
<b>Due within one year:</b>		
Trade debtors	99,991	2,544,460
Amounts owed by related parties	1,799,764	-
Other debtors	93,420	45,739
Prepayments and accrued income	65,260	281,034
Amounts due from members	8,296,800	15,720,282
	<b>10,355,235</b>	<b>18,591,515</b>

Amounts owed by related parties comprise £1,799,764 (2020: £nil) owed by the University of Newcastle upon Tyne. These amounts are unsecured, repayable on demand and interest free.

### 7 Creditors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade creditors	10,592	10,386
Amounts owed to related parties	-	4,372,657
Other creditors	331,850	306,679
Accruals and deferred income	897,771	3,455,761
Taxation	18,765	43,042
	<b>1,258,978</b>	<b>8,188,525</b>

Amounts owed to related parties comprises £nil (2020: £212,186) due to University of Newcastle upon Tyne, £nil (2020: £51,798) due to INTO City LLP, £nil (2020: £4,018,000) due to INTO Newcastle University LLP, £nil (2020: £86,728) due to INTO London MDX Street LLP and £nil (2020: £3,945) due to INTO World Education Centre Limited. These amounts are unsecured, repayable on demand and interest free.

# NEWCASTLE UNIVERSITY LONDON LLP

## Notes to the financial statements for the year ended 31 July 2021 (continued)

### 8 Members' profit shares

The final allocation and distribution of profit to individual members is made after the financial statements have been approved. During the year both members were entitled to an equal share of profit.

The average monthly number of LLP members during the year was:

	2021 Number	2020 Number
UK members	2	2

### 9 Ultimate controlling party and related party transactions

Until 25<sup>th</sup> November 2020 the LLP was jointly controlled by IUP 2 LLP and Newcastle ISC Limited, both of which are incorporated in the United Kingdom. These are the sole members of the LLP and profit was divided equally. IUP 2 LLP is controlled by INTO University Partnerships Limited and ultimately by Mr Andrew Colin. Newcastle ISC Limited is ultimately controlled by University of Newcastle upon Tyne. On 25 November IUP2 LLP resigned as a member and Newcastle University Holding Limited was appointed a member. The LLP is now under the control of Newcastle ISC Limited and Newcastle University Holdings Limited.

During the year the LLP entered into the following transactions with related parties, and had the following balances at the year end.

Related party name	Relationship to the LLP	2021 £			2020 £		
		Sales	Purchases	Debtors/ (creditors)	Sales	Purchases	Debtors/ (creditors)
IUP 2 LLP	Retired member	-	185,266	-	4,165	2,663,040	(1,317,587)
University of Newcastle upon Tyne	Ultimate controlling party	3,281,957	471,413	1,799,764	1,781,578	1,888,035	(212,186)
INTO London MDX Street LLP	Fellow group member*	-	1,029,689	-	1,850	2,108,776	(86,728)
INTO City LLP	Fellow group member*	7,166	98,364	-	46,037	608,276	(51,798)
INTO World Education Centre Limited	Fellow group member*	1,713	44,661	-	9,579	79,971	(3,945)
INTO Newcastle University LLP	Under common control*	1,357	30,259	-	70,840	121,604	(4,018,000)

# NEWCASTLE UNIVERSITY LONDON LLP

## Notes to the financial statements for the year ended 31 July 2021 (*continued*)

### 9 Ultimate controlling party and related party transactions (*continued*)

Related party name	Relationship to the LLP	2021 £			2020 £		
		Sales	Purchases	Debtors/ (creditors)	Sales	Purchases	Debtors/ (creditors)
INTO University of Exeter LLP	Fellow group member*	-	2,357	-	-	-	-
INTO China Limited	Fellow group member*	-	-	-	-	2,226	-
INTO Manchester Limited	Fellow group member*	-	353	-	-	4,714	-
INTO UEA LLP	Fellow group member*	-	-	-	1,357	19,308	-
Espalier Property Project 005 Ltd	Fellow group member*	-	158,500	-	-	-	-
DPUK GLOBAL GROUP LIMITED	Fellow group member*	-	-	-	-	135,964	-
Into University Partnerships Asia Limited	Fellow group member*	-	193	-	-	12,139	-

In addition to these amounts the LLP has loans from members of £7,800,000 due to University of Newcastle Upon Tyne as disclosed in the Statement of Members' interests.

\* Following the resignation of IUP 2 LLP as a member on 25 November 2020 as described above, these entities ceased to be related parties of the LLP, and the amounts disclosed therefore represent sales and purchases up to that date.